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Daily Report
Central Eurasia

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Progress on CIS Payments Union Assessed

MM0901093195 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 95 First Edition p 14

[Interview with Adrian Budyanu, Chief of the Russian Federation Ministry for Cooperation with Member-States of the CIS Finance and Credit Relations Administration, by Yevgeniy Aleksandrov from the BIZNES V ROSSII section; place and date not given: "CIS Payment Union: Purpose and Reality—Commonwealth Countries Given Option of Settling Debts With Property"—first paragraph is ROSSIYSKAYA GAZETA introduction]

[FBIS Translated Text] After the signing by the Commonwealth countries in October last year of the Agreement on Setting Up a Payments Union, specific hopes emerged that the way to the normalization of settlements among these states as well as between business partners and CIS citizens had been cleared. How justified was such optimism? Adrian Budyanu, chief of the Russian Federation Ministry for Cooperation with Member-States of the CIS Finance and Credit Relations Administration, comments.

[Budyanu] The agreement on setting up a Payments Union between CIS countries is in point of fact the only document since the collapse of the ruble zone designed to fill this vacuum. The Payments Union is not an organization, but rather a set of game rules.

Since May 1994, a group of experts representing over 20 major banks in Russia has been working under the Ministry for Cooperation with Member-States of the CIS, and it is making a definite contribution to improving blueprints of mutual accounting.

[Aleksandrov] The creation of the Payments Union envisages the conclusion of bilateral agreements on the mutual convertibility of national currencies. What are the mechanisms and the various stages of this process?

[Budyanu] The blueprint for such agreements was approved at the October summit of CIS heads. The first such agreement is being prepared now with Belorussia [Belarus]. It is possible that it will be signed by the end of this year or the beginning of the next. It is entitled: "On Measures to Guarantee Mutual Convertibility and the Stabilization of the Exchange Rate of the Russian Ruble and the Belorussian [Belarusian] Ruble." It provides for gradual measures to stabilize the exchange rates of the national currencies, and the transition to their free convertibility. To do this, it will be necessary to set up liquid currency markets. Valuations, and equipment, and oil are to be set by the banks on the basis of supply and demand [sentence as published—apparent line drop].

Settlements between business partners will be effected in the currency most acceptable to them, be it the Belorussian ruble, the Russian ruble, or freely convertible currency. If an entrepreneur has earned Belorussian rubles in Belorussia, then he will be entitled without hindrance to purchase commodities of interest to him with them: He will be entitled freely to spend the funds he has in the national Belorussian currency.

[Aleksandrov] How will the solution of the question of socially significant payments between Commonwealth countries be implemented in practice?

[Budyanu] The matter in this instance centers on free transfers of citizens' funds as implemented by juridical persons. That is, the payment of pensions, state benefits, compensation, alimony, and so on. The payments will be made in the national currencies, and moreover it is to this end that it is proposed to ensure the timely conversion of currencies. An agreement "On Non-Trade-Related Payments by the Population" is expected to be concluded in the near future with Belorussia, then with other Commonwealth countries. It must not be put off.

[Aleksandrov] It is no secret that the level of outstanding debt on the part of a significant proportion of Commonwealth country enterprises in respect of Russian partners is very great. How will this problem be resolved?

[Budyanu] If you are talking about the outstanding debt of Commonwealth country enterprises to their Russian partners, then this comes to somewhere in the region of R8 trillion. The debt for power resources is particularly great. Here it has been proposed to apply a property liability to defaulters. The government of the country where individual enterprises are in no position to pay its debts, having in advance verified their financial status, must itself take charge of the debts and convert them. Into shares, for instance, and then offer part of the debtor's property to its business partner by way of clearing the debt, or involve him in the joint administration of the debtor-enterprise.

We have prepared a draft agreement here. It is called "On Mediation by Governments in Converting the Debts of Economic Components." What is more, there can be any form of correspondence between their components. Strictly speaking we are talking here about quasigovernmental debts in which a government owes not directly but in the form of an intermediary.

There is another way in which property can be used to settle a debt, namely when an enterprises pays for a supply of meat, for example, with pipes, let us say. In this instance the supply of pipes "attracts" value-added tax and consequently the creditor has to "write off" part of the debt because he is getting not the full 100 percent but only 70 percent. But even then such a solution would be acceptable to many creditors.

[Aleksandrov] Does the Agreement on the Payments Union include clearing accounts?

[Budyanu] The commercial banks are proposing beginning the formation of a CIS countries' International Commercial Clearing Center. Here it is necessary to decide on the principles to be used in the elaboration of this concept. It is necessary first to determine the participation and role of the Central Bank in this process and

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then to agree on the currency to be used for settlements. Clearly this will be the Russian ruble. Then it is necessary to agree on how the balance will be cleared. Either by balancing commodity circulation or by issuing temporary credits. It will be possible to make 30-35 percent of payments by mutual debt-offsetting without using money. What will pass through the clearing system? First and foremost probably strategically important goods. The technical base for such a center could well be placed within one of the major Russian banks; otherwise it will have to be created from scratch.

[Aleksandrov] What are the prospects for the conclusion of bilateral agreements between Russia and other CIS countries?

[Budyanu] What we can expect first of all, I hope, is the elaboration of corresponding agreements with Belorussia, Kazakhstan, Uzbekistan, Turkmenistan, Kirghizia, and Armenia. The mutual convertibility of currencies with Georgia and Azerbaijan will be more complicated; as for Ukraine, it will wait until it has its own national currency—the hryvna. The situation in Tajikistan is difficult: It has been given a temporary credit in Russian rubles which will enable it to keep afloat until the introduction of its national currency.

Russia's Yarov Set To Head CIS Economic Committee

LD0801192195 Moscow Mayak Radio Network in Russian 1800 GMT 8 Jan 95

[FBIS Translated Text] The presidents of nearly all CIS countries belonging to the Interstate Economic Committee have already given their consent to the appointment of Russian Deputy Prime Minister Yuriy Yarov as chairman of the Collegium of the Economic Committee, INTERFAX was told at the CISA Executive Secretariat. The source said the presidents of only two countries had so far not given their answer to questionnaires sent out to them by CIS Executive Secretary Ivan Korochenya. The source declined to name the countries since this could be taken as an attempt to exert pressure on the presidents of sovereign states. At the same time, in the Secretariat it is thought that the delay in replying is not a matter of principle and consent will be received in the near future.

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Saudi Defense Minister Denies Providing Support To Chechens

LD0701200295 Moscow ITAR-TASS World Service in Russian 1422 GMT 7 Jan 95

[FBIS Translated Text] Abu Dhabi, 7 January, ITAR-TASS—Saudi Arabia today denied reports that it is giving support to Chechen irregulars, and advocated settling the conflict in Chechnya by way of dialogue.

It has been announced here that Saudi Defense Minister Sultan Bin-'Abd-al-'Aziz Al Sa'ud told journalists in Riyadh that his country "is not giving any kind of assistance to the Chechen fighters, rejects the use of force, and advocates settlement (in Chechnya) on the basis of dialogue."

Indian Source: Pakistanis Involved in Chechen Operations

LD0701150495 Moscow ITAR-TASS in English 1433 GMT 7 Jan 95

[By ITAR-TASS correspondent Vladimir Shvedov]

[FBIS Transcribed Text] New Delhi January 7 TASS—Gunmen from Pakistani Moslem groups participate in combat operations in Chechnya, reported here on Saturday reliable sources, referring to a high-ranking representative from the Indian Defence Ministry.

According to the representative, appropriate information was received as a result of intelligence operations carried out by Indian secret services in areas bordering Pakistan.

The representative noted that Indian security forces have recordings of intercepted radio talks between terrorist groups operating in the Indian Jammu and Kashmir state and Moslem groups supporting them from Pakistan.

The received information shows that Pakistanis drilled at the "Markaz-i-Dawar" saboteur centre, situated in Pakistan, were already sent to Chechnya to participate in combat operations against Russian troops.

According to the same source, gunmen from the battalion of Afghan mojahideen stationed in Pakistan were also dispatched to Chechnya.

The Afghan foreign office refuted Russian accusations on Saturday [7 January] that Afghan mojahideen fight in Chechnya on the side of the Dudayev regime.

According to reports coming here, Afghan Minister of State for Foreign Affairs Najibollah Lafra'i said that these accusations are "utterly groundless". According to Lafra'i's statement, Russia "tries to justify its offensive in Chechnya".

Diplomatic quarters admit that Afghanistan is not involved in combat operations in Chechnya at the government level. However, Afghan citizens, individually or with support from some organisations of mojahideen, could be sent to the North Caucasus to render assistance to the Dudayev regime.

OSCE Leader Expresses 'Alarm' Over Chechnya Situation

LD0601142195 Moscow ITAR-TASS in English 1357 GMT 6 Jan 96

[By ITAR-TASS correspondent Sergey Zhirnikhin]

[FBIS Transcribed Text] Budapest January 6 TASS—Hungarian Foreign Minister Laszlo Kovacs who is now chairing the Organization on Security and Cooperation in Europe (OSCE), expressed alarm in connection with the development of events in the Russian Federation on the territory of Chechnya. Laszlo Kovacs conveyed a statement on this issue to news media here today.

In the statement the minister stresses that in conformity with the main principles of the Organization on Security and Cooperation in Europe, the territorial integrity of the Russian Federation is inviolable. The crisis in Chechnya can be resolved only and exclusively on the basis of the provisions of the Constitution of the Russian Federation.

At the same time the chairman-in-office of the OSCE believes that the military conflict on the territory of Chechnya poses a serious threat not only to the security of the Russian Federation but of the whole region and the European continent as well.

Laszlo Kovacs calls for an immediate stop to the military operations, which have already claimed many human lives and have caused large-scale destruction.

A cessation of hostilities would create conditions for starting negotiations as a peaceful dialogue is the only acceptable way to solve conflicts in accordance with the principles of the Organization on Security and Cooperation in Europe, the statement reads.

The document says the OSCE is prepared to contribute to the settlement of the conflict in Chechnya and the elimination of its negative consequences.

The Hungarian foreign minister said he was encouraged that the Russian Government reacted positively to an offer by the OSCE chairman to help resolve the conflict in Chechnya.

The statement also says the Hungarian foreign minister's personal representative, Ambassador Istvan Cyarmati, who heads the OSCE standing council, is due to arrive in Moscow on January 9 at the invitation of the Russian side.

Van Den Broek Expresses EU Concern Over Chechnya Situation

MS0601150395 London BBC Television Network in English 1300 GMT 06 Jan 95

[Interview with Hans van Den Broek, EU External Affairs commissioner by presenter Edward Stourton,

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Van Den Broek in Brussels, Stourton in London; from the "One O'Clock" Newscast—Live]

[FBIS Transcribed Text] [Stourton] Mr. Van Den Broek what is your judgement about what's going on in Moscow. Do you think Boris Yeltsin has lost control?

[Van Den Broek] I think we are all very concerned about what is happening, notably very concerned about the fate of the civilian population in Chechnya and the humanitarian consequences of that. That in fact also is why we expressed concern, why we say that under the present circumstances we think we should consult the council of ministers and the presidency to see what our attitudes should be, notably also on the signing of the agreement you just mentioned. How this affects the position of President Yeltsin—I think that in the final analysis also the European Union will want to judge whether President Yeltsin's engagement towards political and economic and democratic reform still stands, that will in the final analysis be the yardstick and I think it is too early to give a final assessment there.

[Stourton] There are two possibilities aren't there, either he has lost control or he has lost his democratic credentials?

[Van Den Broek] Well again this is all mere speculation at the present point of time. I think what we should do as an international community and also as Europeans' that want to consider the Russians as an important partner for cooperration and Moscow also having a co-responsibility for peace and stability in the whole of Europe, is try to get the Russians to accept a mission of the OSCE [Organization for Security and Cooperation in Europe], like the French presidency of the European Union has proposed—to get the parties to the negotiating table and to search for a political solution, and to stop this indiscriminate bombing also of civilian targets in a very disproportionate way, when one looks at the objectives of maintaining the integrity of the Russian state of which Chechnya certainly also in our view is a part, and on the other hand the means that are being used to achieve this goal.

Gaydar Says Negotiations Can Still Settle Chechen Conflict

LD0601142495 Moscow ITAR-TASS in English 1242 GMT 6 Jan 95

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Transcribed Text] Bonn January 6 TASS—The conflict in the Chechen republic can still be settled through negotiations, Yegor Gaydar, chairman of Russia's Democratic Choice party, told journalists upon arriving in the Bavarian city of Wildbad-Kreuth to attend Friday's meeting of the three-day conference of the leadership of the Christian Social Union and Bundestag members from the CSU [Christian Social Union], which is part of the Bonn ruling coalition. The conference deals with international problems, including the situation in and around Chechnya.

"According to Russian human rights activist Sergey Kovalev, who returned from Groznyy recently, possibilities for reasonable negotiations still exist," Gaydar said.

"We are confident: however difficult negotiations would be, to negotiate would be easier than conduct military operations," he added.

Churkin: Brussels Does Not Link Chechnya, NATO Expansion

LD0601185995 Moscow INTERFAX in English 1510 GMT 6 Jan 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Jan 6 (Interfax)—The NATO leaders do not see any connection between the events in Chechnya and the desire on the part of numerous Central and East European nations to join the North Atlantic alliance.

"No such trends are visible here," Vitaliy Churkin, Russian ambassador to Belgium who represents Russia's interests in NATO, told Interfax on the telephone.

He explained that under the Washington Treaty of 1949 NATO can expand only by officially inviting countries into it and none of the Central or East European countries had received an invitation so far.

He admitted, however, that expansion of NATO was in the order of the day because numerous countries were knocking on its doors. In Churkin's view, this was one of the processes which made Russia think hard of its security.

He said that a group dealing with the possibility of NATO expansion had met in Brussels Thursday. Churkin believed that the brevity and procedural nature of the meeting showed that NATO intended to study all aspects of the issue thoroughly.

He confirmed that the signing of the Russia-NATO partnership program had been put off rather than canceled. The program was to be launched last December but this was not to be because of the NATO Council's decision to debate the possibility of expansion.

Churkin said that the program remained on the table but all aspects of the relations between Russia and NATO had to be discussed before the right time and format of starting the program were found. He did not doubt the need in the program.

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Foreign Ministry: Too Early To Give Up Inter-Tajik Talks

LD0601185795 Moscow INTERFAX in English 1510 GMT 6 Jan 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Tereknov, and others]

[FBIS Transcribed Text] Moscow, Jan 6 (Interfax)—Moscow stands for the earliest holding of another round of the inter-Tajik talks under the UN auspices.

"The United Nations should, as soon as possible, solve problems of organization, which are connected with the preparations for the forthcoming meeting," a senior official of the Russian Foreign Ministry told Interfax on Friday [6 January].

According to him, Moscow "is expecting that special envoy of the UN Secretary General Ramirez Piriz-Bollon will set the date for the talks."

The diplomat expressed hope that "they will be held in Moscow as it was agreed at the previous round in Islamabad last autumn."

He described as "unprecedented in cruelty" the incident on the Tajik-Afghan border on January 2, when, as a result of the attack by militants of the Tajik opposition at the post of Russian border troops, nine servicemen were killed and 11 injured. The militants cut heads of some corpses.

The diplomat believes that the "escalation of the protective measures at the Tajik-Afghan border" is not enough. "It is necessary to search for a political solution of the inter-Tajik problem," he said.

He admitted that "additional difficulties" emerged on the road. "The recent statements by leaders of the opposition Movement for the Islamic Renaissance of Tajikistan (MIRT) indicate that their position toughened. They either refuse to continue the dialogue with Dushanbe or formulate approaches which leave little room for talks," said the diplomat.

He believes, however, "that it is too early to give up the negotiations as lost". "We are not inclined to consider public statements by MIRT leaders as their final position," said the Russian diplomat. "Let's wait and see what they will tell Piriz-Bollon, with whom Russia is in constant contact."

Shipping Situation on Azeri Border 'Still Unclear'

LD0701230095 Moscow Mayak Radio Network in Russian 2200 GMT 7 Jan 95

[FBIS Translated Text] Despite the fact that its border with Azerbaijan had been temporarily closed, Russia allowed Azerbaijani vessels carrying grain and flour purchased in Russia to leave Makhachkala and [name indistinct] ports, Khabar-Servis has learned from the press service of the Russian Embassy. Meanwhile, Aygen Bashirov, head of the Caspian shipping line, has said that the situation with waterways between Azerbaijan and Russia is still unclear. A tanker and four dry cargo vessels [word indistinct] are docking at the abovementioned ports at present. One of them has 4,700 tonnes of flour on board, which is bound for Azerbaijan, and the other three are to deliver metals to Iran. A tanker was chartered from a foreign company to deliver oil products. Bashirov said that they were unable to meet the deadlines and therefore would experience great losses.

Commentator Urges 'Collective Discussion' on Nuclear Issue

SK0901095295 Moscow Voice of Russia World Service in Korean 1200 GMT 6 Jan 95

[From the "Today's World" program]

[FBIS Translated Text] A meeting of the delegates of the United States, Japan, and the ROK is scheduled in Washington on 9 January. They have formed a consortium for the replacement of the graphite-moderated reactors with light-water reactors in Pyongyang. Station commentator Aleksey Kondratyev comments:

In the Washington contact, discussion will focus on the practical implementation of the DPRK-U.S. agreed framework. Tokyo and Seoul will bear the huge expense for the introduction of the light-water reactors. During the period of replacing the graphite-moderated reactors, Washington will supply alternative energy to Pyongyang. In short, suspicion of Pyongyang's nuclear program will be dispelled.

Moreover, Pyongyang agreed to surveillance of its nuclear sites by the International Atomic Energy Agency [IAEA]. IAEA experts will conduct surveillance activities of the replacement of reactors and the storage of the used nuclear fuel rods.

Implementation of the political clauses of the DPRK-U.S. agreement also began. The two countries conducted negotiations for the exchange of liaison offices.

I do not think, however, the situation on the Korean peninsula has been fundamentally normalized. The DPRK demanded that Seoul open up its own nuclear program. Pyongyang claims that Seoul is producing its own nuclear bombs.

Without dialogue between North and South Korea, it will be difficult to realize the denuclearization of the Korean peninsula.

The issue of disarmament on the Korean peninsula is still a pending issue. The acute military confrontation on the Korean peninsula could develop into an armed conflict at any time. The recent reconnaissance flight into the territorial airspace of the DPRK by a U.S. military helicopter supports this assumption. Although the incident was settled peacefully, no one can predict

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how other situations will develop if either side violates the Armistice Agreement. In short, there are quite a few difficulties on the Korean peninsula.

The Moscow proposal for an international meeting for the settlement of the problems on the Korean peninsula is taking on an urgent nature. This meeting will ensure the security of the North and the South on the Korean peninsula, and can resolve other issues as well. Moscow thinks that only collective discussion can ensure peace and security on the Korean peninsula.

Contract Signed To Build Nuclear Power Station in India

MM0601173995 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 95 First Edition p 10

[Unattributed report: "Agreement on AES Construction"—from the BIZNES V ROSSII section]

[FBIS Translated Text] Russia and India have signed an agreement on the construction of the 2,000-megawatt Kundankulam nuclear electric power station [AES] in southern India, Atomic Energy Minister Viktor Mikhaylov has announced. According to him, this is the largest contract that the Ministry of Atomic Energy concluded in 1994. The cost of the AES construction work is estimated at $2.6 billion. However, the Indian side is paying 15 percent in hard currency, while the remaining 85 percent of the cost is to take the form of credit at 4 percent per annum.

All the work of building the station will be carried out by Russian organizations on a "turnkey basis." In particular, two 1,000-megawatt power units will come from Russia, which will make it possible to provide work for around 1,000 Russian atomic specialists.

The AES construction is to cover a period of eight years starting in 1995. It is intended that India will start receiving Russian equipment in 1996.

It is planned that Russia will receive the nuclear waste products for reprocessing, after which they will be returned to India for burial.

Arms Exporters Advised To Pool Their Efforts

MM0601153195 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 95 First Edition p 14

[Article by Sergey Akshintsev, expert from the Russian Fund for Foreign Economic Activity: "There Are Still MiG's To Put Up a Fight. Malaysian Deal Gives Russian Arms Exporters Optimism"—from the "Business in Russia" section]

[FBIS Translated Text] In the early nineties the Russian defense complex considerably lessened its presence in the world arms markets. According to the Stockholm International Peace Research Institute [SIPRI], in 1991 the USSR's exports of basic conventional weapons systems in comparable prices were 78-percent down on 1988. Western competitors who have set their sights on the East European arms market in particular instantly took advantage of this fact. Germany vigorously set about selling Russian hardware which it had obtained in sizeable quantities from the army of what was the GDR.

However, of late Russian exports have attained some successes. Importantly, along with supplying arms to some of their traditional customers (among them China, India, Hungary, and the CIS countries stand out), they have been able to penetrate new markets (the United Arab Emirates [UAE], Turkey, Malaysia, and Kuwait). As a result Russian arms exports totaled $3.4 billion in 1994, which is roughly 46-percent up on the 1992 level. In 1995 there is every indication that the trend will persist and, according to current estimates, will reach $5-6 billion if you count the contracts that have been signed with Malaysia, India, and Kuwait.

At the same time circumstances that may have long-term undesirable consequences remain outside Russian exporters' purview.

In this context the contract to supply Malaysia with 18 MiG-29 fighters (estimated value $560 million) that was signed in summer 1994, the largest in recent years, is indicative. According to First Vice Premier Oleg Soskovets, this deal should be the "model on the basis of which arms exports will develop."

It must be acknowledged as the FIRST [printed in caps] optimistic lesson drawn from the deal that the Russian defense complex, despite the extremely unfortunate model of conversion, has retained its ability to manufacture competitive output. It can become a weighty branch of Russian exports, correcting their current raw-material thrust. Moreover the MiG's have managed to "penetrate" a market traditionally dominated by the West. According to SIPRI, in 1988-92 Britain, Italy, and France accounted for around 60, 21, and 8 percent of Malaysian arms imports respectively.

The SECOND [printed in caps] lesson learned from the MiG deal is that the tough competitive struggle is taking place against the backdrop of a narrowing world arms market. In the period 1989 through 1993 world imports of conventional arms dropped in comparable prices by around 42 percent. Therefore Western exporters, experiencing problems with domestic orders in the fight for export contracts, are moving with unaccustomed vigor. Particularly those in the United States. In order to upset the Russian side's plans and "push" their own aircraft into Malaysia they urgently reviewed their former (quite restrained) policy toward that country. They resumed the military aid program interrupted previously owing to alleged human rights violations in Malaysia, and also considerably reduced the initial asking price for their F-16's and F-18's, bringing it closer to the price of the MiG's. The upshot being that the United States, which had entered the struggle for part of the Malaysian arms "pie" after us, succeeded in signing a contract in late 1993 to sell Malaysia eight F/A-18 aircraft.

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In turn Britain, which is supplying Malaysia with 28 new Hawk-100/200 light combat trainer aircraft, also had to make considerable efforts to secure the contract, including pledging major investment to develop the local military industry and reciprocal purchases of Malaysian goods.

The THIRD [printed in caps] lesson drawn from the Malaysian deal is this: Russian exporters need to pool their efforts in order to operate successfully in the world arms market. It is major structures or alliances thereof with the necessary marketing expertise, experience, and resources that have the greatest chance of winning orders. Without that it is impossible to meet importers' requirements in qualitative terms and resist competitors.

This applies primarily to those Russian manufacturers that are still trying to export arms autonomously. However, in line with "cost-effectiveness" criteria, it is more rational to cooperate with the "Rosvooruzheniye" State Company on a mutually beneficial basis. At any rate the Malaysian contract has proved the optimum nature and need for such partnership for the Moscow Aviation Production Association [MAPO], which manufactures the MiG's. What is more, MAPO, which was the first defense enterprise to be given the right to participate in military-technical cooperation with foreign countries, is forming a single powerful science-and-production association with the Mikoyan Design Bureau, called MiG-MAPO. Supplemented by MAPO-BANK, the new aviation complex will be able to compete more successfully with McDonnell Douglas, Lockheed, British Aerospace, etc.

Securing payment for arms exports remains one of the main problems. Importers, preoccupied with the problem of developing their national economies and aware of their importance to the vendors, are actively demanding reciprocal purchases of their own goods. Thus, Malaysia is meeting around 25-40 percent of the cost of the MiG's in palm oil shipments. The Russian Ministry of Foreign Economic Relations is no longer responsible for these purchases. So Russian arms manufacturers will be obliged to be more active in involving new commercial structures, which operate effectively in the relevant commodity markets, to carry out these deals.

Finally, the development of competitive arms exports depends directly on the degree of state protectionism. It is primarily a question of providing the requisite funding for export projects, giving manufacturers the necessary information about world military market requirements, and giving assistance with demonstrations and tests of our arms. Incidentally, U.S. F/A-18 shipments to Malaysia will be carried out within the framework of a special state program, "Arms Sales Abroad," which makes provision for the allocation of some budget money.

Thus, with the help of the MiG's, Russia has managed to achieve a breakthrough into the promising Malaysian market and has been able to create the preconditions for stepping up our presence in Southeast Asia. As a result of a visit to Saudi Arabia, Kuwait, the UAE, and Oman by a Russian Government delegation led by Prime Minister Viktor Chernomyrdin other potential projects have also opened up. In order for them to be implemented, it is primarily necessary to clearly implement the agreements that have already been signed and also to thoroughly analyze our own and foreign experience of military-technical cooperation in order to avoid more mistakes.

Leading Countries' Export of Main Categories of Conventional Arms in 1993 (According to UN Conventional Arms Register for 1994) [subhead]

[Columns in the following table represent as follows: Column A—Combat Tanks; Column B—Armored Fighting Vehicles; Column C—Combat Aircraft; Column D—Combat Helicopters; Column E—Large-Caliber Artillery Systems; Column F—Warships]

	A	B	C	D	E	F
United States	2393	832	96	75	296	3
Britain	21	72	29	—	—	3
France	—	42	3	10	41	—
FRG	242	383	93	—	10	24
China	35	—	77	—	—	—

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Political Issues

Press Office on Yeltsin-Kovalev Meeting

LD0601155695 Moscow ITAR-TASS World Service in Russian 1505 GMT 6 Jan 95

[FBIS Translated Text] Moscow, 6 Jan (ITAR-TASS)—ITAR-TASS received a report today from the press secretary of the president of the Russian Federation. It says:

"Russian Federation President B.N. Yeltsin held a meeting in the Kremlin today with S.A. Kovalev, chairman of the Commission on Human Rights under the president of the Russian Federation and deputy of the State Duma. The president listened attentively to the information and assessments concerning the human rights situation in the Chechen Republic and thanked the chairman of the human rights commission for the additional information that makes it possible to obtain a deeper assessment of the situation in the region of the conflict from the perspective of individual rights and from a humanitarian point of view.

"In his turn, the president told Kovalev that, taking account of the discussion of the situation that took place today in the Security Council on the Chechen Republic and the information he had been given, he would issue instructions for measures to be taken to move from imposing a settlement by force toward implementing a peacemaking process aimed at making the Russian Constitution and the observation of human rights operative again on the territory of the Chechen Republic. V.S. Chernomyrdin, chairman of the Government of the Russian Federation, has been appointed to be responsible for this process."

Government Issues Chechnya Statement

LD0701190495 Moscow ITAR-TASS in English 1855 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—The press service of the Russian Government issued the following statement on Saturday:

"As of 17:30 the social and political situation in the Chechen Republic remained complex. The most prepared militants from illegal armed bands operating in the city of Groznyy continued fierce resistance to units of the Defence and Interior Ministries of the Russian Federation, having split up into small groups armed with anti-tank weapons and sniper rifles. Simultaneously, the Chechen commanders, seeking to shift the centre of resistance to the Russian troops from Groznyy to the periphery, continue to withdraw their forces from Groznyy in the southern direction. For the same purpose, in villages and settlements in the south and southwest of Chechnya, pockets of resistance and volunteers' units are being established, and the youth are being recruited, including in neighbouring republics, for further training in the boot camps. Efforts continue to set up bases in hard-accessible mountainous areas bordering on Dagestan.

"Over the past 24 hours, the Russian Armed Forces continued to carry out the tasks to break up illegal armed groups in the centre of Groznyy, block streets in order to prevent their movement, clear the city of armed militants, prepare the troops for further actions, and improve their position.

"Measures have been taken to disarm illegal armed groups in the liberated parts of the city and carry out reconnaissance in order to find out the location of strong points, firing emplacements, artillery and tanks.

"Russian troops have set up cordon posts within the city's boundaries. The troops are cleaning up the streets, regulating the passage of troops and transport and guarding bridges across the River Sunzha. They hold strong points on Lermontov and Popovich Streets, near the hospital and Ordzhonikidze Square. They also control the railway station, the maintenance depot, the buildings of the Military College (formerly Oil Institute), the library and two military training grounds, where a large amount of food, firearms, ammunition, equipment and armament has been seized.

"The Interior Ministry troops continued to enforce the blockade of the settlement of Dolinskoye and carry out measures to discover illegal armed bands' bases and arms caches. Part of the troops guarded the crossing over the River Terek. Measures have been taken to cover the rear of the Russian troops, and search cars and cargoes on the roads.

"According to reports received by the press service of the Russian Government, the 1st, 3rd, 5th and 6th battalions of anti- Dudayev forces led by Gantimirov are staying in Groznyy's suburbs and engaged in patrolling."

On Islamic Assistance, Mercenaries

LD0601183295 Moscow ITAR-TASS in English 1735 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow January 6 TASS—"The Dudayev regime continues active propaganda amongst Muslim residents of the Middle East in search for expanded assistance of Islamic states and organizations," says a report of the Russian Government press service received by ITAR-TASS today. "The Chechen foreign minister sends tendentious information to the so-called 'Chechen representation in Jordan and the Middle East'.

"Chechen representatives have, on the whole, managed to use religious and nationalist feelings of Jordan Chechens who are regularly holding anti-Russian rallies. At the same time, recruitment done by Dudayev emissaries has not brought feasible results. Only 60 militants have left Jordan for the Chechen conflict zone since the conflict beginning.

"According to the reports reaching here, several rallies in support of Dudayev have been held in Herat, Afghanistan, to call on all Muslim true believers to join 'the

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sacred war on the Chechen and Tajik fronts and create a new Afghanistan for Russia'.

"About 50 militants from Iran, Afghanistan, Pakistan and Algeria are staying at a training center on Sudanese territory to be sent to Chechnya via Azerbaijan.

"There is information that a large number of mercenaries from Turkey, Iran and Afghanistan is concentrated in the border areas of Azerbaijan. Some say that Afghan mercenaries are crossing the Iranian-Azeri border to head for Chechnya".

Reports on Troop Operations

LD0701141595 Moscow ITAR-TASS in English 1355 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—The press service of the Russian Government sent the following report to ITAR- TASS on Saturday:

"Troops continued to dismember illegal armed detachments in Groznyy on Friday. The northern army group cleans streets and protects bridges across the Sunzha River. The eastern army group with attached artillery controls roads and river crossings west of the city of Argun.

"Interior troops cover army groups from the rear on the border with Dagestan and carry out measures in order track down massing areas of illegal armed groups and to destroy them.

"A regiment of 'Kamikazis' recruited from among Chechen highlanders is involved in combat operations in Groznyy. A reconnaissance group of the Russian Federal Counterintelligence Service in Groznyy beat off two wounded Russian servicemen from an armed mob. Three trucks with 16- and 18-year volunteers arrived in Groznyy on Friday.

"Dudayev said in one of his latest statements that Russians wait for male terrorists and saboteurs from him, but he trained women for this purpose."

Updates on Combat Operations

LD0701140995 Moscow ITAR-TASS in English 1349 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—The press service of the Russian Government issued the following statement on Saturday:

"According to reports from the Defence Ministry, since the beginning of the combat operation against illegal armed groups in the Chechen Republic, units of the Defence Ministry of the Russian Federation have destroyed about 2,500 militants, as well as 26 tanks, 40 armoured vehicles, 63 artillery pieces and mortars, 129 vehicles, three MI-8 helicopters. More than 150 aircraft have been destroyed over the same time, including six TU-134, 14 AN-2, 145 L- 29 and L-39 and damaged over 100 L-29 and L-39 planes. A total of 167 firing emplacements and firing positions have been destroyed, 108 people taken prisoner, 340 guns, nine tanks and 27 armoured vehicles seized."

Moscow Rally Urges Halt to 'Bloodshed'

LD0701175095 Moscow INTERFAX in English 1623 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow, Jan 7 (INTERFAX)—A rally held by the democratic public in Moscow urged President Yeltsin to stop the bloodshed in Chechnya at once, order the federal troops to end the use of arms, and proclaim the Russian authorities' consent to hold peace talks with the Chechen side on a level acceptable to it.

This stand was expressed in a statement adopted Friday evening. The rally was addressed by the State Duma members who had just returned from Chechnya: Lev Ponomarev, Gleb Yakunin, Aleksandr Osovtsov, Anatoliy Shabad and journalist Irina Dementiyeva of the daily IZVESTIYA.

According to participants in the rally, "as the man entirely responsible for what is happening in Chechnya," President Yeltsin should dismiss the Defence Minister Pavel Grachev, the Director of the Federal Counterintelligence Service Sergey Stepashin and Deputy Premier Nikolay Yegorov, "who are directly responsible for the military actions which led to massive civilian casualties and many deaths among Russian servicemen."

Participants in the rally called for forming an independent commission led by Federal Assembly members who witnessed the conflict in Chechnya, and for collecting "as soon as possible evidence needed to bring those responsible for the numerous deaths in Chechnya and Ingushetia to justice." They also demanded that Russia's acting Prosecutor General "take every measure envisaged by the law to start legal proceedings in connection with massive deaths and destruction in the city of Groznyy and other population centers in Chechnya and Ingushetia."

Participants in the rally demanded that Russia's Federal Assembly "refrain from allocating additional funds to conduct military actions in Chechnya."

Court Official on Prevention of 'Civil War'

LD0701170895 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow, Jan 7 (INTERFAX)—"Christmas and the open wound of Chechnya, the bright day of the main holiday of the Russian Orthodox Church an the deep mourning for the dead make an absurd combination which fills the hearts and minds of the Russian citizens faced with the continuing assault on Groznyy and one more tragedy of the great country," former chairman and now one of the 18 newly elected

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members of the Constitutional Court Valeriy Zorkin told Interfax in a Christmas interview on Saturday.

He said society "condemns the inadequate actions" of the people and bodies "which have turned the legal settlement of the Chechen conflict into a provocation and tragedy for the republic and for the whole of Russia." The Constitution and negotiations are the key elements of the settlement of the Chechen crisis, said Zorkin.

"Everything must be done to "prevent further escalation of the conflict and normalize the situation," he said. To attain this goal the conflict must be settled through talks and normal democratic elections must be held in Chechnya under the supervision of local and federal conciliatory bodies, he said.

Separatism is "a way towards civil war, while a civil war will destroy both the state and human rights," he went on to say. He expressed confidence that the people on whom Russia's unity depends "have enough reason" to prevent civil war, while the Chechen Republic will remain "part of the indivisible Russian state."

Only this way can Russia's sliding down to chaos and lawlessness be stopped," the constitutional law and order restored, and guarantees provided for all citizens and peoples of the Russian Federation, said Zorkin.

Shakhray on Chechnya, Poptsov's Dismissal

LD0701230795

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 2030 GMT on 7 January broadcast a 16-minute interview with Russian Deputy Prime Minister Sergey Shakhray by RTV correspondent Ye. Kuznetsova in Moscow, the date of the interview is not given.

Shakhray explains the aims of the special Russian Government Information and Analysis Commission set up in connection with the Chechnya conflict, which he heads. The commission's task is, first, to present the government and president with an informed and analytical picture of the developments in Chechnya and recommend adjustments or new decisions; and second, to generate and process information on the actions of the government and federal structures with regard to Chechnya, and to feed this information to the public via the media. The commission has no censorship function, Shakhray reiterates.

Asked for an evaluation of the actions of the army and government in the Chechen conflict, Shakhray says: "The time for evaluations, political and legal evaluations, is still to come. It is evident to me that in the situation that had arisen, there was fundamentally no means of resolving the crisis other than that of using federal troops at the initial stage—at the initial stage, I stress. I would divide the question into two parts: The mistakes of the politicians, and military mistakes—that is a subject for professional analysis, we are in favor of this; and the actions of the federal officers and soldiers involved in this crisis. We must unambiguously declare our support for the Russian Army, for men and officers. They are defending the interests of Russia as a whole. They are in fact suppressing the armed rebellion of separatists on this territory. They are defending the streets of their home towns—Novosibirsk, Sverdlovsk, Smolensk—they are defending Russia as a single and integral state. Their actions come within the defense of the federal Constitution and law, and in this respect, it is very dangerous indeed for society and for the mass media to try and make scapegoats out of the army in this situation."

The army, Shakhray says, is "an element of statehood and must be protected." It is clear to everyone, Shakhray says, that it would have been better to use Interior Ministry structures, interior troops. But when "Dudayev has dozens of tanks, salvo fire systems, artillery, mortars, 250 aircraft, including six TU-134 aircraft and 150 L-29 aircraft—they are training aircraft, but fighters, equipped as such—no militiaman, no special-purpose militia group can fight such mountains of weapons. So, at the initial stage it was essential to make use of federal troops."

Asked for a forecast of how long the military action will continue, Shakhray reiterates his previous comments to the effect that mass use of federal troops should be limited to a period of 10 or 20 days, after which Defense Ministry units should hand over to subunits of the Internal Affairs Ministry.

At Friday's Security Council meeting, Defense Minister Grachev asserted that no bombing strikes had been inflicted on Chechnya since 23 December, and stated his readiness to show aerial photographs to the media, with an explanation of the targets and what happened. Shakhray says this must be done, since the public has had contradictory information. The public has not yet been shown the promised clips of mojahedin activity and the use of chemical weapons, Kuznetsov prompts. Shakhray replies that reports on chemical weapons were being analyzed and the public will be informed of the results. "As for the mojahedin, according to Defense Ministry figures, which is coordinating the activities of all the power structures, 108 men have been taken captive, among them representatives of various foreign states; 60 of them, the military say, are being held in Mozdok," and the public will be kept informed, he says.

Shakhray said he had great respect for Human Rights Commissioner Sergey Kovalev, but Kovalev should not restrict his defense of human rights to those of Dzhokhar Dudayev: He should go and look at the refugee camps and those who have suffered under Dudayev's regime.

Shakhray then comments on the reports on the dismissal of Oleg Poptsov, chairman of the All-Russian State Television and Radio Company, and confirms that the issue was raised at Friday's Security Council meeting. He

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opposed this move, he said; "I consider that in terms of the political consequences of this, in this difficult period when the fate of Russia is being decided, sanctions against the mass media, including such personnel issues, could bring about and adverse reaction." Shakhray says he was trying to work more in the Western mode of information policy. "The dismissal of Poptsov will be regarded not as the personal tragedy of the individual who created the Russian Television Company, but will be seen as sanctions by the state, pressure on the mass information media. This is impermissible, and I voiced my opposition to this move, and was backed by other Security Council members. I reckon there is still a chance to find another solution."

Shakhray continues: "The state now has a dual task, a conclusion we can also draw from the Chechen crisis, namely that of supporting independent television and radio companies, creating new, alternative sources of mass information, and setting up a system of state information, of state television and radio broadcasting." He ends the interview by saying he hoped everything would be "OK" with the Russian Television Company.

Council Leader Calls for 'Round Table,' Treaty

LD0801153395 Moscow ITAR-TASS in English 1442 GMT 8 Jan 95 GMT

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow January 8 TASS—Deputy Federation Council Chairman Ramazan Abdulatipov has called for resuming negotiations with Chechnya in order to end the bloodshed and resolve the conflict by peaceful means.

"It is not too late yet to begin negotiations with representatives of various groups and organisations in Chechnya, with every Chechen in order to preserve the allies of an integral Russia that we still have," he said.

Abdulatipov expressed deep regret at the Russian Security Council's decision "not to recommend to hold a 'round-table' conference in Pyatigorsk within the framework of the Conciliatory Commission on the implementation of the Treaty of Civic Accord and the Commission of the Presidential Public Chamber," his spokesman Ruslan Valiyev said on Sunday.

The conference has been scheduled for January 9 to discuss the role of religious confessions in the efforts to restore peace in the North Caucasus and work out a common approach towards ways to settle the Chechen conflict.

Valiyev said that the majority of the leaders of the North Caucasus republics and all confessions have agreed to take part in the conference co-chaired by Abdulatipov.

Troop Commander Calls To Clear 'Dudayevites'

LD0801154595 Moscow Russian Television Network in Russian 1100 GMT 8 Jan 95

[Video report from Groznyy by V. Skvortsov, including interview with Lieutenant General S.F. Stashenko, deputy commander of the Russian Federation interior troops, identified by caption; from the "Vesti" newscast]

[FBIS Translated Text] The army units have fulfilled their task of blockading Dudayev's main units. Now it is the turn of the interior troops to do their job. They have the task of clearing the town of Dudayevites.

[Begin recording] [Name indistinct] Fedorovich, what information do you have about the present situation in Chechnya as a whole, and in Groznyy?

[Stashenko] The tasks put before the units and subunits of the defense and interior forces have been fulfilled, that means that Groznyy has been blockaded. The situation in the rest of the territory of Chechnya remains calm. The irregulars have on the whole moved into the mountains. This shows again that it is wrong to say that we have fallen out with the Chechen people. As for the combat actions, they are mainly taking place at present only in Groznyy.

[Skvortsov] How do you see the issue of interaction with the new authorities here in Chechnya?

[Stashenko] I think that the interior troops' role is at most to render help so that Russian laws may prevail.

[Skvortsov] How actively do you intend to use the Interior Ministry's local subunits, i.e. the local militia?

[Skvortsov] Interior Ministry staff are now working to restore the Chechen militia. A special appeal had been made by Interior Minister Yerin to the Chechen militia. All those who wish to work to restore justice and law are being taken on and have already begun work. [end recording]

Press Service on Security Council Meeting

LD0601170895 Moscow ITAR-TASS in English 1609 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow January 6 TASS—A meeting of the Russian Security Council was held in Kremlin today under the chairmanship of President Boris Yeltsin, reports the presidential press service.

A document received by ITAR-TASS says the following:

"The Security Council noted that the operation for disarmament of illegal armed units on Chechen territory and cleaning Groznyy of mercenaries and militants has resulted in federal state power control over a number of republican regions and key facilities of the Chechen capital. The majority of heavy armaments of the illegal armed units have been destroyed or put out of operation. Conditions have been created to enable activities of the

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temporary government of national revival of the Chechen Republic in Groznyy.

"The Security Council stated that the main tasks of the first stage faced by the Russian Armed Forces have been fulfilled. In this situation it is necessary to overcome the armed resistance, fully disarm and liquidate illegal armed units and ensure favourable conditions for restoration of constitutional lawfulness and order on Chechen territory in the immediate future alongside further efforts to search for ways of political settlement.

"The Security Council considers it necessary to boost the creation of temporary territorial bodies of the executive power, the law-enforcement bodies, health care system, education and social protection on Chechen territory. Special attention should be given to observation of human rights, medical aid, timely payment of pensions and allowances for refugees and purpose-full distribution of humanitarian aid. It is important to involve authoritative representatives of, elders, religious figures, local intellectuals and managers in restoration of normal life, expand and consolidate the social basis of the federal state power, the temporary government of national revival of the Chechen Republic and power and management bodies created by them.

"The Security Council stressed that the military phase of restoring constitutional lawfulness and order in the Chechen Republic is completing. A resolution is adopted to outline measures for revival of the Chechen Republic as a fully-fledged subject of the Russian Federation."

Shumeyko on Meeting

LD0601180995 Moscow Radio Rossii Network in Russian 1500 GMT 6 Jan 95

[FBIS Translated Text] The Security Council met in Moscow this morning. It established the main goal of the next stage in ensuring constitutional order in the Chechen Republic, Vladimir Shumeyko, member of the Security Council and chairman of the Federation Council, told a briefing. Our correspondent, Vyacheslav Osipov, reports by telephone.

[Osipov] Vladimir Shumeyko said Security Council's members had deemed it possible to stop hostilities and to start replacing the Russian Armed Forces with sub-units of the internal troops and militia. It is the sub-units of the latter that will have to continue restoring constitutional order and to help the structures of power, which are being created, in their work. Vladimir Shumeyko said that of Chechnya's future leadership, only the prime minister had been appointed, Mr. Salambek Khadzhiyev. Both he and Deputy Prime Minister Nikolay Yegorov are expected to work on the composition of provisional administration. At Shumeyko's proposal, the Security Council made it incumbent on Russian military commissariats to provide parents with all information about their sons' whereabouts and fate.

Also, Vladimir Shumeyko said that the Security Council had discussed the issue of the media coverage of the Chechen events. The draft decision that had been examined regarding the issue says only one thing: the attention of heads of television and radio companies should be drawn to the not quite fitting coverage of the Chechen theme. No organizational conclusions have been drawn for the time being. Shumeyko told journalists that the Council touched only indirectly upon the issue of yesterday's news conference held by Sergey Kovalev, human rights commissioner. Nevertheless, some Security Council members disagreed with certain points voiced by the well-known human rights campaigner. Your correspondent asked how the president's instruction to stop the bombing of Groznyy and the Defense Ministry's subsequent actions could be appraised. To this Vladimir Shumeyko had the following to say:

[Begin Shumeyko recording] The defense minister said absolutely officially at the Security Council meeting that he was fully and absolutely responsible for what he was saying, that starting from the 23 December, not a single bomb had been dropped on Groznyy. The defense minister said he had documents that he could submit immediately but, however, the media do not want to use them for some reason.

As regards the subject—you remember how much sniggering, so to speak, there was in the media about the minister or somebody else stating that the Chechens had been bombing themselves. There were cases, indeed, when buildings had been mined and then blown up. A normal commission made up of specialists and even firemen, however, will always be able to tell how a building was destroyed, by a bomb from above or by a mine from below. [end recording]

[Osipov] In conclusion Vladimir Shumeyko said that soon a presidential decree is expected on increasing the number of permanent members of the Security Council by including the chairmen of both chambers of the Federal Assembly.

Rybkin on Duma, Security Council Meetings

LD0601203295 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (INTERFAX)—During its emergency meeting planned for January 11 the State Duma will consider a report on the situation with human rights in Chechnya and legislative initiatives on amending the Russian Constitution.

The amendments provide for strengthening parliamentary control over performance of the executive power, State Duma Speaker Ivan Rybkin told Interfax today.

As it was earlier reported, the emergency meeting of the State Duma on Chechnya was initiated by the Russia's Choice faction and a group of parliamentarians.

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The State Duma will also discuss draft laws proposed by the Russia's Choice obliging the Russian leaders to publish the list of the killed and wounded in the conflict zone and prohibiting financing military operations in Russia.

Rybkin said the Russian Security Council had discussed the situation in Chechnya today. He said Boris Yeltsin had announced his intention to include into the Security Council as the permanent members the chairmen of the both chambers of the Russian parliament with a right to decisive vote. At present the right belongs only to a "narrow composition" of the Russian Security Council.

Rybkin said the Russian Security Council had also discussed "inadequate covering of the events in Chechnya" by the media. He added, however, that he knew nothing about Yeltsin signing a decree dismissing Head of the Russian TV and Radio Company Oleg Poptsov.

Rybkin met with Poptsov today. They discussed the media covering developments in Chechnya.

Chernomyrdin Discusses Meeting

LD0701175195 Moscow INTERFAX in English 1623 GMT 7 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 7 (Interfax)—Russian Prime Minister Viktor Chernomyrdin said Friday's meeting of Russia's Security Council had been run in a very efficient and businesslike way.

No serious disagreements were voiced between council members, Chernomyrdin said on Saturday. All the speeches were to the point, he told Interfax special correspondent Vyacheslav Terekhov in an exclusive interview following the laying of the cornerstone for the Cathedral of Christ the Savior in Moscow.

One of the government's priorities in the economic rehabilitation of Chechnya is to help refugees return home, the prime minister said. "We'll do our best. This involves not only transport but the rebuilding and repairing of housing as well," he said.

"The government is aware that there is no time to lose in tackling this task, so we are going to start carrying it out immediately," Chernomyrdin continued. The government will provide for this "as much money as is needed," though it is still unclear what this sum will be, he said.

The premier said the government had made no allocations for the reconstruction of the Cathedral of Christ the Savior, pulled down bythe Stalin regime in 1931. "I'm totally convinced that Moscow will be able to build something else too on the money that will be given to rebuild the church," he said, describing the cathedrals' reconstruction as economically a very promising project.

'Expert' on Chechnya Situation, Coup Danger

BR0901154295 Rome L'UNITA in Italian 8 Jan 95 p 15

[Interview with Aleksey Salmin, "aide to Russian President Yeltsin," by Maddalena Tulanti in Moscow; date not given: "'Do Not Expect a Coup With Tanks'"—first paragraph is L'UNITA introduction]

[FBIS Translated Text] Aleksey Salmin, a political scientist and an expert on "hot spots," was one of the eight "wise men" close to Yeltsin at the time of his rise to power, a presidential aide who, to tell the truth, has been little heeded in recent times, a fact that has given him some cause for complaint.

[Tulanti] Mr. Salmin, the West seems very concerned over the situation in Russia: Do you share this concern or do you think it is exaggerated?

[Salmin] I am concerned, as, indeed, are many people in my country. Many things concern me. First and foremost, I am concerned at what is happening in the Russian leadership and, consequently, at many other things happening in the political arena, in federal relations, and in our economy. I have put things in that order, although Chechnya is usually placed at the top of the list, with everything else coming after it. I think that what is happening in Chechnya is a consequence of what is happening in Moscow, and this gives me greater grounds for concern. And it did not start yesterday, or the day before yesterday; it started long before. We are seeing how, very gradually, a specific power center is being set up before our eyes; I would call it an anonymous center of influence that has nothing to do with the legal power centers. Indeed, this center has taken first place in recent times.

[Tulanti] Do you think that Yeltsin's orders to cease fire have been disobeyed? And if so, how serious a matter do you consider it?

[Salmin] It is difficult to answer that question. When a country is at war, things have their own logic and their own momentum. It very rarely happens that orders issued from Moscow are carried out to the letter on the battlefield. Full knowledge of every development in the situation in Chechnya is needed to be able to give the right orders at the right time. All I can say is that in situations like this it is extremely dangerous to issue orders at a distance from the scene of war, and that applies to everybody, from the supreme commander of the Army to any other lower-ranking officer. The order to cease fire can be interpreted in dozens of different ways, and the ensuing consequences can be even worse than if the order had not being given.

[Tulanti] Do you think that Yeltsin has "given in" to the military or that he is convinced the only way to recover Chechnya is by using an iron fist?

[Salmin] I would prefer not to answer that question on principle, for the sole reason that there is only one person in a position to answer it, President Yeltsin himself. As a member of the presidential council, along with eight [as published] others, I have written a letter to the president asking for an urgent meeting with him. We have received no reply.

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[Tulanti] How well-founded are the fears of a military coup?

[Salmin] At present, I cannot imagine a classic military coup in Moscow, especially now that morale among the troops is not high and there is no guarantee that officers of all ranks would join in. It would take too much courage to see things through to the bitter end, in my view, to attempt to carry out a classic coup. The gradual transformation of the power centers where the structures of force [strutture di forza] exert considerable influence is quite another matter. Not so much the military forces, but some other force structure. That is already happening. But it is a mistake to think that the greatest danger could come from a classic military regime. Im many countries, the most common totalitarian regime during any period of instability is a police regime—not military one—with the ordinary police in command, not military divisions.

[Tulanti] Will you explain the security council's role to Italian readers?

[Salmin] It is an advisory body set up to study and discuss major issues, from the survival of the rule-of-law state to national security. More generally speaking, it could be described as the equivalent of the Politburo in the days of the CPSU. Perhaps the initial idea was different, but that is what it has subsequently turned into. Judging from the results it has achieved, it must be concluded that it is doing a terrible job.

[Tulanti] Will Yeltsin survive this crisis, do you think?

[Salmin] There are two sides to that problem: the legal one and the moral one. From the legal point of view, the Constitution provides a mechanism for removing the president: impeachment, but it is fairly complicated. It is difficult to muster the two-thirds majority of deputies from the two houses required for the operation, and it is equally difficult to establish charges against him that will stick. Another instrument is a referendum. But it is not the legal means by which a president's mandate can be revoked. It is not contemplated in the Constitution. Amending the Constitution to annul the president's appointment entirely or to facilitate his removal might be conceivable, but even if it were passed, the decision would not take force immediately, as the president was elected by the entire population and confirmed in office by referendum; what is more, his powers are laid down by a Constitution approved by the whole population. Indeed, I think that an impeachment bid would create a serious split in society, so anyone intending to take the step must think 100 times before doing so. That is the legal aspect. On a moral level, it is up to the president to decide. For the time being, I have to say that people's reactions are highly contradictory. On the one hand we are seeing disillusionment and a drop in his prestige, a fear of unknown powers, while on the other, strange as it may seem—although it is perfectly logical—the defeats suffered in Chechnya are acting as a national catalyst in society. Today, for example, at the laying of the foundation stone for the future Cathedral of Christ the Savior, the main theme running people were stressing was that this church will be a monument to military glory. Just imagine that.

Fedorov Criticizes Leaders

MM0901160595 Moscow IZVESTIYA in Russian 10 Jan 95 p 2

[Article by State Duma Deputy Boris Fedorov: "The Agony of Power"]

[FBIS Translated Text] The tragedy in Chechnya has dotted numerous i's, both political and military. It has accelerated the growing up process for both the state and the people.

A strange question was being asked to begin with: "Why do we need Chechnya?" And it was not being asked by children, either. Answer. **The motherland and its citizens are not tradeable commodities. Today Chechnya, tomorrow Kaliningrad, then the Ural Mountains. All inhabited by ethnic Russians.**

We have already witnessed the nation's dismemberment along Stalin's artificial borders. The amount of blood that has been shed! This process is difficult to halt. I disagree with splitting Russia apart, no matter beneath what slogans. **For me such policy is tantamount to treason.**

And if, on some part of Russia's territory, laws are not observed and bandits are openly arming themselves and killing people, the state is duty bound to put a stop to this. With force, is resistance if offered. If an armed bandit refuses to surrender or seizes hostages, there can be no peaceful solution. Does "stern" Lebed not realize this? Is this not enough politicking, general?

Others get carried away by opinion polls: Everyone is against. Against what? **Everyone** is, of course, against bloodshed and violence. Everyone without exception. But let us ask this question: Are you in favor of legality and order in Russia, including Chechnya, in favor of eradicating the breeding ground of banditry? What would be the answer? Enough of taking advantage of the tragedy, let us show some courage. Do not be afraid of raising the question of Russia's integrity.

The restoration of legality and order is a completely different matter. We have for this purpose thousands of especially trained professionals who cost us vast sums of money. We saw for ourselves on television how masked men skillfully rubbed the faces of bank guards in the snow. Why not send these guys to Groznyy to capture the bandits?

There are many other why's: **Why was nothing done earlier, why were greenhorns sent in, why were residential blocks bombed, why were tank crews sent to their deaths, why the lies, why did the president speak so late, why....** Enough questions, I think. It is time to draw conclusions.

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Each death, the excessive bloodshed, and the criminal stupidity call for an answer.

Let us begin with the government, with the executive power.

There is no government in our country—it is incapable of maintaining order.

Incompetence and lack of professionalism which border on the criminal.

The power is agonizing and floundering. The crisis has evolved into a threat for everyone.

The armed forces and the security forces.

There are no combat-capable armed forces. Millions of men in uniform, and nobody to defend us. What would happen if the adversary had been the army of a foreign country?

The top leadership of the power structures is professionally useless. Even if certain doubts did persist 3-4 October 1993, today this is an indisputable fact.

The Army's reform was not launched. The Army must be professional (without a draft), compact, and combat-capable. There would not be so many tears shed by mothers in that case.

Finally, the political realities.

Many democrats refused to defend the state and allied themselves with the Communists who have always been prepared to lose part of of the country in order to overthrow the power they hate, and have now confirmed their reputation.

The incumbent power lacks a social and political base.

This is obvious to everyone. There is no need to go into hysterics and analyze events only from Dzhokhar Musayevich's bunker and relish the sight of Russian soldiers' bodies. It is better to put yourselves in the shoes of the greenhorns who have been set up by the authorities, help to bury our brothers, and try to halt the betrayed Chechens. I heard it said that one deputy telephoned Groznyy and tried to boost the spirits of Dudayev's men: "Hold firm, we'll make plenty of noise here." **This is terrifying.**

Please note: They draw no conclusions. Afraid of the authorities? The democrats have kept up their humanism, **abandoning patriotism, the state, and national interests to Zhirinovskiy's and Barkashov's lot, and then denigrate those who disagree with them.** What was and is being offered? Pull out of Chechnya? Fraternize with the bandits? Let each and every one of us ponder what would happen to Russia if some of them came to power tomorrow. Order will have to be imposed one way or another. For three years now we have quietly waited for the problem to go away. It has not gone away.

We are being threatened with a police state. Come to your senses! **It has never disappeared in our country.** For how long can we compromise stop short, and exercise caution (in case things get worse)? Consequently, we never got the reforms off the ground, we just toadied.

Why is it that we hear it said again by democratic circles: "The president is poorly informed. The emperor is good, it is the courtiers who are bad"? **Come on, gentlemen, have you lost your minds?** Do you think that we will find a latter-day Father Gapon and will march on Red Square, icons in hand, to pray Yeltsin to figure out what is happening?

If the power is incapable of maintaining legality and order, why do we need such power? It must be democratically replaced. Can we wait any longer? **No!** We need early elections before something else gets done.

Why don't the democrats leave the government? Including "Russia's Choice" members. Why don't the democrats organize a rally to protest the presence of our troops in Tajikistan, Georgia, Moldavia [Moldova], Armenia, Turkmenia [Turkmenistan].... **Our guys get killed each day in some place, yet we keep silent. Human rights experts keep silent, as long as the issue does not concern Chechnya.** Human rights are being violated in our country every day. Are examples necessary?

Let us display our principledness. Let us replace the disgraced chiefs, let us sent the conscripts home, let us stop bombing civilians. Let us leave it to the professionals to impose order. Let us hold the culprits to account. Let us hold early elections. Let us bring our soldiers back from abroad. Let us begin the reforms.

Any other path would led to catastrophe.

Yabloko Seeks Limits on Use of Army

LD0801161695 Moscow INTERFAX in English 1410 GMT 8 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 8 (Interfax)—The Yabloko parliamentary faction will propose a draft law prohibiting the Russian president to use the army and military contingents in Russia without declaring the state of emergency. The draft law will be introduced during an emergency meeting of the State Duma on January 11, member of the Federation Council Yuriy Boldyrev told Interfax today.

Boldyrev said that after signing decree N1400 on September 21, 1993, and the dismissal of the Supreme Soviet but before the adoption of the Russian Constitution on December 12, 1993, Russian President Boris Yeltsin had enacted several legislative acts contradicting the Russian Constitution. Boldyrev said he believed that these legislative acts must be cancelled which could be done only by approving new laws.

"Only thus could bloodshed in Chechnya be stopped and possible non-constitutional use of the army in Russia for police functions in the future be prevented," Boldyrev

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said. The military contingents mean units of the Russian Interior Ministry, Federal Counterintelligence Service and other power structures, Boldyrev added.

The State Duma will hold the emergency meeting on January 11, two days earlier that the opening of the winter session in 1995.

Russia's Choice on Chechnya-Initiated Bills

LD0801165295 Moscow Radio Rossii Network in Russian 1400 GMT 8 Jan 95

[FBIS Translated Text] A sitting of the Russia's Choice parliamentary faction, held today, approved a number of legislative initiatives the faction intends to launch at the forthcoming State Duma sitting.

In particular, Russia's Choice will propose that the following draft federal laws be discussed: On banning combat operations by the armed forces on the territory of the Russian Federation; on financing state expenditure in the first quarter of 1995; and a bill on the publication of information about servicemen who die, go missing, or are wounded while doing their military service. The Russia's Choice faction also intends to submit for discussion an amendment to the Constitution on setting up parliamentary commissions to investigate the state administration.

Yegor Gaydar, the faction's leader, said in an interview with journalists that all these initiatives are dictated by the events in the Chechen Republic.

Asked why General Dudayev has so many weapons in his possession, Yegor Gaydar said:

[Begin Gaydar recording] Some of the arms were seized by Dudayev in September-October 1991. As has been said repeatedly on television, there was not a single Soviet soldier left in Chechnya in November 1991. It would be interesting to know who was in control of these arms at that time. These arms were transferred there by the Army of the Soviet Union. Most of them were seized while I was working as director of the Institute of Economic Policy of the Soviet Academy of Sciences. No arms were handed over to Dudayev when I headed the Russian Government—that was in June- December 1992. [end recording]

Moscow's Chechens Declare To Prevent Terrorism

LD0701153495 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] MOSCOW. January 7. (Interfax)—Moscow's Chechen community, over 30,000 people strong, will adopt measures to forestall terrorist acts in Russia's capital. This was declared in Moscow Friday at a meeting of representatives of Chechen's diaspora with Arkadiy Volskiy, leader of the working group on a settlement in Chechnya, subordinate to the Russian president's office.

According to a report released Saturday by the press service of Russia's Union of Industrialists and Businessmen, led by Volskiy, participants in the gathering welcomed the Russian Security Council's decision to delegate to Russia's Premier Viktor Chernomyrdin responsibility for negotiations with Chechnya.

The sides also discussed a proposal to exclude from the zone of fighting those Chechen urban and rural areas which will declare their neutrality and will keep gunmen away from their lands.

"Volskiy is expected to make the view of the Chechen Diaspora leaders known to the country's leadership" as soon as possible, the report says.

Kovalev Outlines Justice Ministry's Tasks

LD0601150095 Moscow ITAR-TASS in English 1330 GMT 6 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow January 6 TASS—The Ministry of Justice should generate creative ideas, Valentin Kovalev, the new Russian minister of justice, told reporters on Friday. In his opinion, this applies above all to the second part of the civic code and to the establishment of separate sections of law aimed specifically at regulating economic relations and at creating at developed criminal law and law of criminal procedure.

The forming of contemporary democratic judicial system is a most important part of the Ministry's activity, Kovalev said. "Priority of human rights will be out of question if a truly democratic court is nonexistent," the minister said. "The judicial system in Russia must above all be independent".

Kovalev noted that many questions that are not being decided by political way can be solved by applying legal norms. "Political priorities divide people, while norms of law apply to all citizens and so unite people", Kovalev said.

Regarding priority tasks of the Justice Ministry, Kovalev said that "many ills in our country stem from imperfection of the legal system. There is now a paradoxical situation when legal acts of different kinds operate simultaneously and on parallel lines—laws of the Soviet state, laws adopted by the Supreme Soviet of the Russian Soviet Federal Socialist Republic, by the Federal Assembly. Presidential decrees operate simultaneously in the same field of law". All these normative acts are contradictory, hence "numerous ills", Kovalev believes. But there is another problem, blank spaces in law. "We have huge areas in social and public life which are not regulated by legal norms in any way".

Kovalev also said that he represents no one but himself in the composition of the government. "I am not a member of the Russian Communist Party, although I am

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in its faction in parliament", he said. "I am linked with comrades in the faction by a common outlook, but I am not bound with the party by organisational relations, and party discipline does not apply to me", the minister said.

Valentin Kovalev, deputy speaker of the State Duma, was born in 1944. He is a doctor of legal sciences, a professor. He published some 200 scientific works, including several monographs on topical problems of jurisdiction. Kovalev participated in the working out of the United Nations documents on human rights, on combatting crimes and international standards of the activity of judiciary bodies.

On Need for Judicial System in Chechnya

LD0601154395 Moscow ITAR-TASS in English 1331 GMT 6 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow January 6 TASS—Functions of the Russian Ministry of Justice and of the provisional supervisory commission in the Chechen crisis may be merged, Valentin Kovalev, the new Russian minister of justice, told reporters on Friday. He said there are no contradictions in this. "An appropriate judicial system in the territory of the Chechen republic should be created, and this matter can and must be discussed now", the minister said. Kovalev said that members of the supervisory commission arrived from Chechnya on Friday and reported on the formation of local government bodies. This matter is being vigorously tackled, Kovalev said.

The minister said that he had a conversation with Sergey Kovalev, human rights observer, on Thursday. "We exchanged opinions about the situation in Chechnya and about our further contacts", Kovalev said. "We intended to hold a meeting and have a detailed discussion after a press conference by Sergey Kovalev, but that part of the conversation did not take place as he needed rest. The meeting will be held shortly. We would like to discuss with him the planning of our work. The commission is looking into several specific cases and complaints about violations of human rights and freedoms. I expect that the human rights observer will join actively in our work", Valentin Kovalev said.

On 'Professionals,' Crisis, Recovery

LD0601184095 Moscow INTERFAX in English 1401 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (INTERFAX)—Newly- appointed Justice Minister and Vice Speaker of the State Duma Valentin Kovalev of the Communist Party faction says "time has now come for professionals to join the government".

Politicians have brought the country to the verge of crisis but it is professionals who will lead it to recovery, Kovalev told Interfax Friday. Himself a Doctor of Law, the new minister sees his appointment as the chance to do what he was doing all the time rather than widen the government's political spectrum.

Kovalev said although he ran on a Communist Party ticket, he did not hold a party card. He said he was linked to the Communists through common outlook but not party discipline. Kovalev says he will stay put and cooperate with the Communists in parliament, but will be guided by his own priorities as justice minister.

Nor does he want to relinquish his job as chairman of the interim monitoring commission for civil rights and freedoms in Chechnya unless the Russian president decides otherwise. Kovalev believes that social and economic aspects of the commission's work will remain valid even if Chechen fighting comes to an end.

Communist Party Protests Appointment

LD0701172095 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 6 (Interfax)—The leadership of Russia's Communist Party has said that the participation of communists in a government guilty of destroying our great country is out of the question while the Russian president pursues an undemocratic policy." This is announced in a resolution issued by the central committee of the Communist Party and forwarded to Interfax.

"In view of the fact that the leadership of the Russian Communist Party did not give its consent to the appointment of a member of its State Duma faction as Minister of Justice, the appointment of Valentin Kovalev must be considered as an attempt to discredit the Communist Party's firm and consistent policy toward the ruling regime, and present the current government as some 'coalition' force, which it is not," the document says.

Taking into account the fact that Valentin Kovalev accepted his appointment without consulting his faction, the leadership of the Communist Party decided to instruct its State Duma faction to consider the issue of his further stay in the faction.

Yeltsin Issues Decree To Fire TV Chairman

LD0601170495 Moscow ITAR-TASS in English 1601 GMT 6 Jan 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Moscow January 6 TASS—A decree to remove chairman of the state-run Russian TV and Radio Company Oleg Poptsov from his post was signed by President Yeltsin here today. The president announced his decision at today's meeting with Russian plenipotentiary for human rights Sergey Kovalev, sources at Kovalev's staff told ITAR-TASS.

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In the words of Kovalev, the 50-minutes-long meeting was "rather a dialogue from time to time interrupted by president's notes." Kovalev "tried to convince Boris Yeltsin that he is poorly informed about the Chechen developments, but the state head disagreed with this statement." Kovalev told the ITAR-TASS interlocutor that "the president bluntly refuted accusations of pressure on the press and said mass media is not being influenced." At the same time, he noted that some mass media bodies, including the Russian Television, "give an inadequate coverage of Chechen developments." This is the reason for the dismissing decree.

First assistant to the president Viktor Ilyushin told ITAR-TASS writer Tamara Zamyatina that the dismissing decree "was not issued by the presidential administration today."

Presidential Press Secretary Vyacheslav Kostikov did not confirm the signing of a presidential decree dismissing Poptsov from his post.

Reports on resignation of Oleg Poptsov has been circulated by a number of mass media bodies.

TV Company Appeals to Yeltsin

LD0601181395 Moscow Radio Rossii Network in Russian 1700 GMT 6 Jan 95

[FBIS Translated Text] An informed source within the Russian presidential administration has told us that Boris Yeltsin's edict on relieving Oleg Poptsov of the post of chairman of the All-Russian State Television and Radio Company [VGTRK] was prepared but not signed. As soon as this became known the company held a conference of representatives of the labor collective attended by more than 300 people. An appeal to the Russian president was adopted. Here is the text of the appeal.

[Begin unidentified voice recording] Esteemed Boris Nikolayevich, we have learned that a draft edict on relieving Poptsov, chairman of the All-Russian State Television and Radio Company, of his post has been prepared. The VGTRK labor collective is convinced that the document has been prepared not at your personal instruction, but rather at the initiative of some people in your entourage who, for the umpteenth time, are trying to remove Poptsov. This cannot be interpreted otherwise than the start of the destruction of our company, that is, in essence, of democracy and freedom of speech in Russia.

Being the founder of the All-Russian Television and Radio Company, and in accordance with the current legislation and the VGTRK founding documents, the labor collective had elected its leaders before you signed an edict appointing them. We would like to remind you that this took place in a difficult time for Russia. From the time it was set up, the Russian Television and Radio Company has reflected the interests of the country's citizens, thereby supporting a president elected by the people. We are confident, Boris Nikolayevich, that when making a final decision the view of the company's labor collective, which today once again unanimously confirmed Oleg Poptsov's powers as VGTRK chairman, will be taken into account.

Adopted at a meeting of representatives of VGTRK labor collective on the 6 January 1995. [end recording]

Poptsov Comments on Events

LD0601210295 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 6 Jan 95

[FBIS Translated Text] Boris Yeltsin today told Sergey Kovalev that he has signed an edict removing Oleg Poptsov as head of the All-Russian State Television and Radio Company. In an interview with our correspondent, Poptsov himself made a very brief comment on the president's decision: I have been removed for the truth, he said.

[Begin Poptsov recording] It is not important whether Poptsov is there or not; what is important is that there should be the All- Russian State Television and Radio Company, and that it should continue to exist. Perhaps we have not done a great deal, but perhaps we have. We have not built a great deal, but we wanted to build much more. Today I can say with complete conviction and complete civic responsibility that the existence of the All-Russian Television and Radio Company means the existence of one of the bulwarks of democracy in Russia. If it is eliminated, then democracy will have a much harder time. [end recording]

I may add here that we have not yet received any official announcement of Poptsov's dismissal.

Press Service: No Information on Dismissal

LD0601213195 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (Interfax)—The presidential press service has no information concerning signing of a decree on dismissal of leader of the Russian television and radio company Oleg Poptsov by President Boris Yeltsin. Representative of the press service reported to Interfax on Friday evening.

Earlier human rights commissioner Sergey Kovalov declared to journalists after his meeting with Boris Yeltsin that the president had signed such a decree.

Russia's Choice Opposes Firing

LD0801134095 Moscow Radio Rossii Network in Russian 1000 GMT 8 Jan 95

[FBIS Translated Exerpt] If an edict dismissing Oleg Poptsov, All-Russian State Radio and Television Company chairman, exists, then the document is a crude political mistake. This is how the Russia's Choice faction describes the president's decision in a statement issued today.

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Such a decision, the statement goes on to say, defends lies, kills the truth, and will permanently separate free-thinking journalists from the president. Such a decision provides further evidence of the revival of tyranny over freedom of speech, the statement by the Russia's Choice faction stresses.

Yegor Gaydar, leader of the parliamentary faction, gave the following assessment in an interview with journalists:

[Begin Gaydar recording] When the actions in Chechnya were being planned in December, it was said to be element of general policy. If a country goes to war, then you can expect an attack on freedom of speech. Full freedom of speech is not found in a country at war.

What is happening now shows that, sadly, our forecasts are proving justified. If the decision is made, it will be a very serious blow to the openness, albeit limited, that currently exists in Russia. [end recording] [passage omitted]

Economic Issues

Livshits Notes 'Uncertainty' Adds to Inflation

LD0601130495 Moscow INTERFAX in English 1113 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (Interfax)—The Russian economy is beginning to feel the consequences of the Chechen conflict. Aleksandr Livshits, the Russian president's economic aide, told Interfax's Boris Grishchenko that the inflationary expectations which had increased at the end of 1994 and early in 1995 would do more harm to the economy than the direct expenses arising from the conflict and the inevitable need to restore the Chechen Republic's economy in 1995.

Livshits explained that at least 85 percent of factory directors intended to increase the prices of their products in the coming two or three months while early last fall less than half of them wanted to do so. He said that the reason for this was the uncertainty over Chechnya and the budget.

Livshits argued that January was a hard month in any economy. There are few working days and money is pushed into the consumer and currency market to a greater extent than it serves the economic turnover.

In Livshits's view, the inflationary expectations will dictate at least half of the price rises in January and February. He said that if these expectations increase, prices will rise by 15 percent a month; if not, they will stay within seven percent.

Livshits added, however, that the country's economic situation was not yet hopeless. The way to overcome the inflationary expectations is to resolve the Chechen crisis soon, bring the talks with the IMF to a conclusion and adopt a tight budget, he said.

"Different views of the Chechen developments are possible but what has been done cannot be undone. What is needed is to pull out of the crisis with minimal losses. Therefore one should not try to bring the government down, one should not rock the boat and add to the inflationary expectations," Livshits emphasized.

Government Sets Wages for Workers in Chechnya

MM0601135195 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 95 First Edition p 5

[Russian Federation Government decree no. 1440: "On Terms of Remuneration and the Granting of Additional Benefits for Workers in the Chechen Republic"]

[FBIS Translated Excerpt] Moscow, 31 December 1994—The Russian Federation Government decrees:

1. That salaries for workers in the territorial administration of the federal organs of executive power in the Chechen Republic (hereinafter called the Administration) be approved in accordance with the appendix.

2. That the remuneration of workers of the federal territorial organs of executive power on the territory of the Chechen Republic (hereinafter referred to as the territorial organs) is within the procedure and on the terms established for the workers of the territorial organs of the relevant ministries and departments taking into account the changes and additions envisaged by point 3 of this decree.

3. That the following be established for the workers of the Administration and territorial organs on a monthly basis:

a supplement for difficulty, exertion, and high achievements in work and a special work regime of up to 50 percent of their salary;

a supplement for the actual time of work in these organs of 100 percent of their salary;

a supplement for the number of years served at the rate of up to 40 percent of their salary paid within the procedure and under the conditions established by the Russian Federation Council of Ministers-Government 8 July 1993 decree;

bonuses.

The supplement for difficulty, exertion, and high achievements in work, and a special work regime and the size of bonuses are set:

for workers of the Administration by the leader of the Administration;

for workers of the territorial organs by the leaders of the federal organs of executive power;

for workers of the territorial organs by the leaders of the territorial organs.

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4. That workers sent to work in the Chechen Republic are paid:

the average wage for their main work place;

a supplement of 100 percent of their official salary for the days of their actual presence;

daily expenses at three times the established norm.

5. That additional paid leave of two calendar days for each full month of work be established for workers of the Administration and the territorial organs and for workers sent to the Chechen Republic.

6. That it be established that the federal organs of executive power's creation and financing of their territorial organs are implemented:

for federal organs with territorial organs financed from the federal budget—within the limits of the number of workers and the wages fund stipulated by the Russian Federation Government and the budget appropriations allocated;

for federal organs whose territorial organs are maintained from other sources—proceeding from the numbers of workers, the wages fund, and the appropriations approved by the Russian Federation Government.

7. That the Russian federation Ministry of Finances implement the financing of the measures stipulated by this decree using funds from the federal budget.

8. That the terms for remuneration and additional benefits for workers stipulated by this decree operate as of 17 December 1994 and until the creation of constitutional organs of representative and legislative power in the Chechen Republic.[passage omitted]

Oil Export Decree Seen To 'Speed Reforms'

MK0601123595 Moscow SEGODNYA in Russian 6 Jan 95 p 1

[Report by Aleksandr Bekker under the "Start" rubric: "Government Decides To Start New Year by Freeing Oil Exports. Cabinet's Liberal Decree Is New Year's Gift to IMF"]

[FBIS Translated Text] On 31 December, Viktor Chernomyrdin signed a government decree "On Exporting Oil and Oil Products From Russian Federation Territory Beginning 1 January 1995." The latest, the 1446th decree, was one of the first in importance. On the whole, the document signifies the liberalization of "black gold" exports. It eliminates export quotas for oil and oil products. It scraps tariff preferences for energy suppliers under inter-state treaties. It sets for all producers an export duty of 23 ECU's per tonne of oil.

It eliminates discrimination against exporters as regards their access to the "pipe." It makes the principle of equal access a reality, and now "the amounts of oil to be transported envisioned for each producer should vary with the amount of oil produced...." The fact that neither the decree nor its addendum spelling out the main terms for the use of trunk pipelines and sea terminals contain any mention of special exporters is also very important. It has been codified that energy sources shall be exported by oil producers "via organizations registered with Russia's Ministry of Foreign Economic Relations." That is to say, the institution of special exporters has been preserved in veiled terms, but at the same time the principle of needing permission to export, which had been followed by the foreign economic relations agency, is now becoming a thing of the past. The above norm must have been needed by the government in order to monitor export shipments and to make sure that hard currency was coming back.

Having signed the document in its present form, Premier Chernomyrdin has made a spectacular gesture at the end of the year. He voted for a liberal version of the decree, rejecting two other drafts which, in particular, called for a balanced approach to domestic consumption of oil and oil products with a requirement that 65 to 70 percent of energy sources be delivered to domestic consumers. First Vice Premier Chubays did everything he could to block the conservative drafts. He revised the final version of the decree drafted by the Economy Ministry. He had it endorsed also in the Finance Ministry and persuaded the head of government to give a New Year gift to Russian liberals, the IMF, and the World Bank.

It should be noted that Viktor Chernomyrdin's readiness to sign precisely such a decree signifies his potential determination to speed reforms.

CEC Proposes More Currency, Export Controls

LD0801193495 Moscow INTERFAX in English 1821 GMT 8 Jan 95

[FBIS Transcribed Text] Moscow, Jan 8 (INTERFAX)—Russia's Federal service on Currency and Export Control (Russia's CEC) has forwarded its proposals to the Russian government in order to increase efficiency of control over currency and foreign economic operations.

Interfax has learned that the document points out that "it is necessary to introduce an obligatory control over all export operations on which currency receipts were not received within the contract term." Russia's CEC believes that the Russian government should adopt a decision which necessitates conducting of an expertise in any cases of delay in receipt of currency returns if the delay exceeds 180 days since the day when goods crossed the customs border.

The proposals prepared by Russia's CEC provide, in particular, for levying and entering in the budget sums of actual lowering of value of goods, which are quoted at the world market, if barter deals are implemented on diminished prices.

In addition, experts from Russia's CEC believe that it is high time to adopt resolute measures to strengthen

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interaction with the currency control bodies of foreign states and their special departments which fight capitals' "cleansing."

According to CEC experts, "the state system of currency regulation and control in Russia is on its initial stage of organization." Now it does not comprise the Central Bank, the State Customs Committee, Finance, Economics, and Foreign Economic Relations Ministries "activity of which is inappropriately coordinated," the experts indicated.

Military & Space Issues

Officials Work To Stabilize Defense Industry

LD0701172695 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow, Jan 7 (Interfax)—The Russian Security Council commission for scientific and technical issues relating to the defence industry worked out a range of measures designed to stabilize the situation in Russia's defence complex, the commission's secretary Yuriy Andreyev told Interfax.

According to him, Russia's defence complex is suffering from an aggravating decline in production, which undermines the country's defence capability and lowers the opportunity for equipping its army with advanced weapons.

Cuts in the allocations for research and design works and for the purchase of arms and military equipment led to cancelling the production of 175 types of military equipment, Andreyev said. The country's defence complex will soon be incapable of building arms of a new generation. Moreover, it will not be in a position to reproduce all of today's types of arms and military equipment, Andreyev pointed out. A further decline in the space industry will lead to curtailing all defence programs in space in 1996-1997, he said. With the current practice of planning, developing and producing arms and military equipment the share of modern weapons in Russia's armed forces will fall to 10 percent by the year 2000, against 60-70 percent in the armies of industrialized Western countries, Andreyev noted.

To stabilize the situation in Russia's defence complex, the Security Council commission calls for forming the defence budget in accordance with certain percentage of the Gross National Product.

The commission also suggests that the state should place its defence orders largely with the plants specializing in military- related production, regulate this sector and carry out a unification of all samples of arms and military equipment with a view to reducing funds for their development and production.

An effective means of reviving military production is to form a special system for its medium-term (for 5 years) and long-term (for 10-15 years) planning, and a similar system for planning research and design works.

New Space Shuttle Delivers Cargo to Stations

LD0701174995 Moscow INTERFAX in English 1623 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow, Jan 7 (Interfax)—Russia has developed a shuttle system to deliver cargo to space stations, an official at the Central Institute of Aircraft Engine Construction said.

Dmitriy Boyev told Interfax that the system, called Orel (Eagle), developed by the Russian Space Agency and several research institutes, would reduce the cost of cargo delivery to a fraction of what it is today.

He said Orel is based on scramjet supersonic engines, which have undergone preliminary testing. During the second test, such an engine propelled a Russian S-200 Angara air defense missile for more than 15 seconds at a speed between three and five times that of sound.

There are plans to build in 1998-2000 a flying laboratory on the basis of a ballistic missile. The laboratory, to be called IGLA, a Russian abbreviation for Hypersonic Research Aircraft, would be able to develop a speed 14 times that of sound, Boyev said.

Federal Assembly

Duma Council Considers Calling Emergency Session

LD0601123095 Moscow INTERFAX in English 1113 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (Interfax)—The State Duma Council is scheduled to meet at 15:00 Friday [6 January] to discuss calling the house into emergency session.

Petitions signed by 100 MP's [members of parliament], ten more than the minimal number needed to convene an emergency session, who support this initiative were submitted to State Duma Chairman Ivan Rybkin Thursday.

Meanwhile, the MPs who had signed the call for an emergency session last night received government telegrams telling them to confirm their signatures personally or by telegram, Lev Ponomarev, co-chairman of the Democratic Russia party, told Interfax Friday. He said that Duma Defense Committee Chairman Sergey Yushenkov, Gleb Yakunin and Viktor Lotkov were among those who had such telegrams, sent by the Duma procedural committee on Rybkin's orders.

Ponomarev believes that there is no procedural need to confirm the signature.

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He described this requirement as a police measure designed to postpone the opening of the session under the pretext of lack of confirmation.

Ponomarev expressed the hope that most State Duma Council members would not drag their feet and the session would open Sunday or Monday.

To Meet 11 Jan 'as Was Planned'

LD0601151995 Moscow ITAR-TASS in English 1428 GMT 6 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow January 6 TASS—The Russian State Duma will hold a plenary meeting on January 11 as was planned.

This decision was made today by the council of the lower house which considered a proposal by deputies from the Russia's Choice faction to call an extraordinary plenary meeting of the Duma in connection with the events in Chechnya.

Yegor Gaydar's supporters insisted on a more urgent convocation of a plenary meeting of the lower chamber of the Russian parliament after collecting more than 90 signatures of parliamentarians required by the existing regulations. However, the majority of members of the Duma council preferred to work in accordance with the earlier adopted timetable.

Duma Council Confirms Chechen Debate on 11 Jan

LD0901120295 Moscow ITAR-TASS in English 1150 GMT 9 Jan 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow January 9 TASS—The question on the situation in the Chechen Republic was put on the preliminary agenda on the first meeting of the State Duma (Russian parliament lower house) spring session.

The State Duma Council (consultative body on which all parliamentary groups and factions are represented) which gathered on Monday, decided to open the session on January 11, as it was planned.

The Chechen question was submitted by a group of legislators. Incidentally, it was decided to hold an oepn hearing.

The final agenda of the Duma's first plenary meeting will be specified at the Council on Tuesday.

Government Will Revise Draft Foreign Activity Law

MM0901094195 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 95 First Edition p 14

[Unattributed report—from the BIZNES V ROSSII section: "Temporary Monopoly?"]

[FBIS Translated Text] "The Draft Law 'On Foreign Economic Activity in Russia' is aimed at ensuring sovereignty and economic security," Mikhail Fradkov, deputy minister of foreign economic relations, said, presenting the document at a government sitting.

Critics of the draft noted its excessive centralization, as well as the lack of time limits for protective measures (quotas, licenses, and so on). The government approved the draft law put forward by the Ministry of Foreign Economic Relations and adopted a decision to revise it, taking into account the observations that were made.

Regional Affairs

Dagestan's Interior Ministry Issues Warning

LD0601122795 Moscow ITAR-TASS World Service in Russian 1107 GMT 6 Jan 95

[By ITAR-TASS correspondent Gadzhi Shamov]

[FBIS Translated Text] Makhachkala, 6 Jan—During recent days, repeated provocations and attacks have been made on militia control points in the districts of Dagestan bordering on Chechnya. They are aimed at complicating the situation and are manifestly intended to draw Dagestan into the conflict. This is said in a statement by the Dagestani Interior Ministry press office, which was released here today.

According to data cited in the report, Dagestani territory was fired upon from the Grebenskiy Bridge on the border. The militants' firing positions were put out of action by return fire. There are casualties among the federal forces' servicemen.

According to the republic's Interior Ministry, another provocation was staged during the evening near the Nuradilovo settlement in Khasavyurt District. A group of 25-30 armed fighters from Chechnya attacked a police checkpoint. One of the attackers was killed during the exchange of fire. His identity is being established. A police officer was also wounded in the shoot-out.

In view of these events, the press service of the Dagestan Interior Ministry warns that all provocative activities aimed at destabilizing the situation in districts bordering on Chechnya will be dealt with most decisively, the statement stresses.

The Dagestan Interior Ministry appealed to all citizens of the republic and leaders of national movements and political parties to help maintain public order and to prevent the Chechen events from spreading into Dagestan. It is now more important than ever before to join forces in the pursuit of peace, the statement says.

Increased 'Militant' Activity on Dagestan Border

LD0601171695 Moscow ITAR-TASS World Service in Russian 1545 GMT 6 Jan 95

[FBIS Translated Text] Moscow, 6 Jan (ITAR-TASS)—The press service of the Russian Government passed the following information report to ITAR-TASS this evening:

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"According to information reaching us, armored vehicles are being withdrawn from Groznyy and dispatched to the settlement of Chishki in Vedenskiy rayon. Moreover, in that rayon Dudayev's envoys are recruiting young people. The new recruits are being sent to the settlement of Yarysh-Mardy where allegedly a combat training center is situated at which lessons are conducted by foreign instructors. After having undergone a week's training the new reinforcements are sent to Groznyy.

As a result of questioning refugees it has been established that several groups of militants armed with grenade-throwers and submachine guns have arrived in Groznyy from the settlement of Novogroznyy.

Data has been received that Chechnya's chief defense staff has drawn up and is using a special plan to disinform Russian subunits by means of guides-informants who have been set the task of leading Russian subunits into ambushes, mine fields, and dummy facilities.

In the settlement of Aldy a concentration of armored vehicles hidden in private sector housing units has been noticed. The vehicles are being guarded by a group of militants numbering up to 100 men.

The appearance of a large group of home guards planning to break through the barricade posts of the Russian troops has been registered in the settlements of Shchelkovskaya, Grebnevskaya, Kurdyumovskaya, and Kagalinskaya settlements that border on Dagestan.

Over the entire length of the Chechen-Dagestan border the increased activity of militants trying to break through into Dagestan has been noted. Russian Air Force helicopters inflicted strikes on them."

Airborne Troop Commander Comments on Operations

LD0601175895 Moscow INTERFAX in English 1401 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (INTERFAX)—Since Russian troops entered Chechnya on December 11, the casualties among paratroopers stand at around 100 persons killed and 200 wounded, commander of the airborne troops, Colonel-General Yevgeniy Podkolzin, told Interfax.

Considerable casualties among Russian troops, he believes, are due to the absence of special training of servicemen in street fighting.

According to Podkolzin, Groznyy will be liberated from gangs by the end of January. "Once we have launched the operation, we must finish it. There is no way back," said the general.

At the same time the commander said, "If I were to conduct the operation, I would not storm Groznyy; I would order that the city be surrounded and blockaded together with the illegal armed formations in it." He also said that during the liberation of Groznyy, the city is sustaining damage worth "dozens of trillions of rubles."

Podkolzin believes that gangs in Groznyy should be disarmed by specially trained units. He believes the Armed Forces have mainly accomplished the task and destroyed the heavy technology of the militants. "Now interior troops should withdraw firearms from the illegal armed formations."

The commander said that the cessation of air strikes on Dudayev military sites will aggravate conditions for the Russian unit which are fighting inside the city. "If bombings stop, men from each window, basement and from behind each corner will fire at our soldiers," he said.

Podkolzin denied the information to the effect that several paratroopers surrendered in the area of the railway station in Groznyy. "There have been no captives among paratroopers over the past few days," said the general.

Aushev Supports Resolutions by Regional Leaders

LD0601180095 Moscow INTERFAX in English 1708 GMT 6 Jan 95

[FBIS Transcribed Text] Moscow, Jan 6 (Interfax)—President of the southern Russian autonomy of Ingushetia Ruslan Aushev is fully supportive of resolutions by yesterday's conference of leaders of the Ural and Volga regions in Cheboksary (the capital of Chuvashia), his press service said in a written statement in Moscow Friday [6 January].

The forum called for an end to Chechen violence and spoke of the need to hold a Congress of Peoples of Russia so as to resolve the conflict peacefully.

At the same time, Aushev regrets that leaders of the Northern Caucasus had failed to respond to his own proposal to meet in Nazran on December 25 to discuss the long-overdue problem and prevent it from coming to a head.

'Special Units' Conduct 'Successful' Operation

LD0601185295 Moscow INTERFAX in English 1628 GMT 6 Jan 95

[FBIS Transcribed Text] Mozdok, Jan 6 (INTERFAX)—Special units of the Russian Defense Ministry have carried out a successful operation destroying a commando group of a large gang active in the environs of Groznyy. The Russian Army used in the operation what sources in the Army Command described as special weapons with elements of artificial intelligence.

He said that a special unit of the federal troops had detected and attacked a group of important targets in the western part of the Chechen capital. The unit made use of aerial reconnaissance and satellite data, the sources said.

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An official in the special unit command of the Defense Ministry confirmed that the special units had destroyed a band of mercenaries and Dudayev's fighters trained for sabotage behind the Russian lines. The source said that nearly 50 enemy fighters, a communication vehicle, an armored personnel carrier and a Shilka anti-aircraft system had been destroyed in five minutes of fighting.

Laser-and TV-guided air-to-surface missiles were used against the band. The military source told INTERFAX that the Army would use in Chechnya the combat systems developed for essentially different theaters of operations. He refused to elaborate.

Duma Deputy Alleges 'Cluster Bombs' Dropped

LD0601183795 Moscow INTERFAX in English 1628 GMT 6 Jan 95

[FBIS Transcribed Text] Nazran, Jan 6 (INTERFAX)—Russian aviation has bombed Chechen populated centers with "cluster bombs" prohibited for use against civilians all over the world, State Duma parliamentarian Aivars Lezdinsh told Interfax today.

He said that head of the Moscow office of the Canadian TORONTO STAR newspaper Olivia Word had brought to Nazran (the capital of Ingushetia) a needle about 3.5 centimeter long and about 1.5 millimeter wide belonging to such a bomb. She said she had found the needle in a Chechen village after it had been bombed by Russia.

Lezdinsh, now in Nazran, said this proved that the Geneva Convention and other agreements prohibiting using such weapons and signed by Russia were violated.

An official representative of the Russian Armed Air Forces denied use of cluster bombs in Chechnya. He said Russian aviation had not used prohibited kinds of weapons either against militants or against civilians.

He said the information made known in Nazran was "another well-paid lies."

The Russian military official said Russian aviation continued bombing the positions of bandit formations and backing infantry on Friday. He said neither Groznyy nor other populated centers had been bombed.

Dudayev's Command Post Reportedly Moved South

LD0601184595 Moscow INTERFAX in English 1628 GMT 6 Jan 95

[FBIS Transcribed Text] Groznyy, Jan 6 (Interfax)—Chechen leader Dzhokhar Dudayev is now at a standby command post in a hillside in the south of the republic, a military source in Groznyy told our correspondent referring to some reports.

Other Chechen officials refused to disclose Dudayev's whereabouts for security reasons.

The source said that Chechen forces had been redeployed in southern parts of the country.

The chief of staff of the Chechen armed forces maintains that only irregulars are putting up resistance to Russian troops in Groznyy.

Chechen Official Seeking Islamic States' Support

LD0601183995 Moscow INTERFAX in English 1628 GMT 6 Jan 95

[FBIS Transcribed Text] Groznyy Jan 6 (INTERFAX)—Chechnya's Interior Minister Shamseddin Yusef is touring Islamic countries and holding negotiations on political and military support for Chechnya, sources in the Chechen Foreign Ministry have said.

Security Tightened Around Sverdlovsk Nuclear Sites

LD0601203795 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Yekaterinburg, Jan 6 (INTERFAX)—Security has been tightened around nuclear installations in Sverdlovsk region including the Beloyarskaya station 30 kilometers of Yekaterinburg to protect them against possible attacks by Chechen terrorists.

Tight security measures have also been imposed on the nearby town of Zarechnyy. Special police units and guards were mounted outside the town. All vehicles come under inspection and as on the New Year's Eve, no one but people carrying local residential permits will be allowed to enter the town.

'Intensive Bombardment' of Groznyy Launched

LD0701115795 Moscow Russian Television Network in Russian 1100 GMT 7 Jan 95

[From the "Vesti" newscast]

[FBIS Translated Text] According to INTERFAX and foreign agencies, Russian troops are carrying out an intensive bombardment of central Groznyy from guns and rocket launchers of all types.

An INTERFAX correspondent reports that the intensive bombardment of the city which started after 1000 is regarded in Groznyy as yet another attempt to storm the Chechen capital.

Subunits of federal troops are trying to break through to the center from the west, from the direction of the railway station which is 1.5 km from the presidential palace.

The artillery shelling of Groznyy began on Friday. The city is shrouded in smoke, residential buildings in the center and the top floors of the presidential palace are ablaze. Oil depots at the oil refinery complex in Zavodskoy rayon, 4 km from the city center, are also on fire.

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According to a spokesman of Dudayev's forces, the oil depot was set on fire by Russian aircraft early on Saturday morning.

The streets in the center of Groznyy are deserted. Volunteers arriving in Groznyy from the villages are making their way along them in small groups toward the presidential palace.

Refugees continue to leave Groznyy—the last wave of those who were previously unable, for whatever reason, to leave the city.

The section of the population remaining in the city took refuge in bomb shelters when the artillery bombardment began.

Ayvars Lezdinsh, a deputy of the Russian State Duma who is currently in the conflict zone, has confirmed to INTERFAX by telephone the intensive bombing of the city. He said the intensity of the bombing reached 15-20 explosions per minute.

According to Chechen soldiers, last night Russian aircraft did not attack the city.

Soldiers' Mothers Traveling to Combat Zone

LD0701135495 Moscow ITAR-TASS in English 1206 GMT 7 Jan 95

[By ITAR-TASS correspondent Yevgeniy Tkachenko]

[FBIS Transcribed Text] Chelyabinsk January 7 TASS—Soldiers' mothers from Chelyabinsk, a regional centre in Siberia, decided to go to the zone of the Chechen conflict on their own to find out the fate of their sons. This decision was taken on Saturday at a meeting of the regional association of soldiers' mothers which was held at the conference hall of the regional administration.

This decision was taken by this group of women who were in despair, since they did not know anything about the fate of their sons, association chairman Lyudmila Zinchenko told ITAR-TASS here today.

According to Zinchenko, virtually all telephones, the numbers of which were told to population through the press to find out about the fate of servicemen, are silent round-the-clock—both at the Russian Defence Ministry and the headquarters of military districts.

"Therefore, we decided to find out whether our children are alive or not," Zinchenko continued. "We shall likely travel to the conflict area via the Ingush capital Nazran where Ingush President Ruslan Aushev promised to help us. We do not entertain any hopes for assistance from the Russian Defence Ministry."

Government Reports Continued Resistance

LD0701145295 Moscow ITAR-TASS in English 1447 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—The press service of the Russian government issued the following statement on Saturday:

"According to reports from the commanders of the federal armed forces in the Chechen Republic, the main tasks for January 7 are to establish cordon posts and continue to seal off, disarm and destroy illegal armed groups. Work is underway to prepare the troops for further combat operations and reinforce them with personnel, weapons and equipment.

"Illegal armed groups continue armed resistance to mobile and well-armed groups of the Russian troops in the capital of Chechnya.

"In Groznyy's suburbs, a gang of 30-50 people has been discovered. The militants are holding civilians hostage. They are armed with firearms, grenade launchers and mortars.

"In the private sector of Groznyy, several camouflaged armoured vehicles have been found. The band that guarded them had been carrying out attacks on the Russian armour. Also found were several Grad missile launchers belonging to pro-Dudayev formations.

"In other districts of Chechnya, several bands armed with heavy firearms, mortars and grenade launchers continue fierce resistance to the federal troops.

"In some places, tank trucks have been discovered. The trucks were supposed to explode when Russian armour approached. Many cases of mining have been revealed, including booby traps, on the territory of Chechnya, along the roads and forest shelter-belts. Active measures are being taken to clear them.

"Over the past 24 hours, several bands and arms depots have been destroyed.

"Work has begun to restore some industrial enterprises and their equipment in the city of Groznyy."

Federal Forces Bomb Chechen Mountain Villages

LD0701153695 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 7 Jan 95

[FBIS Translated Text] This afternoon Russia began bombing mountain villages in Chechnya. The Groznyy oil refinery was also bombed during the day, our correspondent reports. Losses are still being clarified.

Groznyy has also been subjected to intensive artillery shelling during the day. In the opinion of the State Duma deputies who are in the conflict zone this can be regarded as preparation for another storming of the city.

Fast Revival of Chechen Oil Industry 'Unrealistic'

LD0701153895 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 7 (Interfax)—Chechnya will hardly be able to reestablish its positions

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in the area of oil extraction and refining in the foreseeable future, the chairman of the Russian union of oil and gas industry workers Lev Mironov said in an exclusive interview with Interfax.

According to him, even if the Chechen industry's destroyed material and technical base is rebuilt, it will not be able to regain its previous volumes (Interfax's note: 4-5 million tons of crude and 12-13 million tons of oil products a year). "Skilled specialists must work at oil installations and refineries, but they are virtually unavailable in Chechnya," Mironov said.

"The industry virtually did not function in Chechnya for almost three years," the unionist said. This was due to the mass exodus of oil extractors and oil refiners, who were largely non-indigenous people," he explained.

According to Mironov, specialists will be unlikely to return to Chechnya, where now, after the bloody events, the atmosphere is permeated with hatred for "Russian speakers". As for the plans to involve the local population in work at the oil installations, "the new staff will need profound knowledge which is impossible to acquire promptly," Mironov said.

Therefore to expect a "fast revival of oil extraction and oil refining in Chechnya is unrealistic because of the unsolvable personnel problem," the unionist concluded.

Udmurtia's Parliament Speaker Comments on Crisis

LD0701170595 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] Izhevsk, Jan 7 (INTERFAX)—The crisis in Chechnya broke out because "President Yeltsin had ignored the Council of the Heads of Republics belonging to the Russian Federation, formed under his own decree," the Parliament Speaker of Udmurtia (an autonomy within the Russian Federation) Valentin Tubylov told a news conference in Izhevsk on Friday. The conference was devoted to the results of Thursday's meeting between the leaders of the republics situated in the River Volga Valley, the Urals and Karelia, who had conferred in Cheboksary, Chuvashia.

According to Tubylov, the Council of the Heads of Republics "could be effectively used to settle relations between Groznyy and Moscow politically." As Tubylov said, he is "willing to sit at the negotiating table with Dudayev at once."

He criticized the leaders of republics in the North Caucasus for their failure to gather together and issue a collective statement in connection with developments in Chechnya.

Russian Leaders Criticized at Rally in Dagestan

LD0701171595 Moscow INTERFAX in English 1525 GMT 7 Jan 95

[FBIS Transcribed Text] Makhachkala, Jan 7 (Interfax)—A rally in support of a peaceful solution to the problem of Chechnya took place in the central square of Dagestan's capital Makhachkala on Saturday [7 January].

Organized by the Islamic Party of Dagestan and local nationalist movements, it gathered about 2 thousand people. Participants in the rally called for stopping military actions in neighboring Chechnya, for removing federal troops from there, and for granting the people of Chechnya the opportunity to decide their destiny on their own.

Speakers at the rally strongly criticized the leaders of military operations in Chechnya, Russian Defence Ministry and Interior Ministry troops and the Russian authorities, including President Yeltsin.

Interior Ministry Commander Killed in Groznyy

LD0701143495 Moscow ITAR-TASS in English 1359 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—Head of the Russian Interior Ministry's operational management group in Chechnya, Major-General Viktor Vorobyev died in Groznyy this morning during the operation to disarm illegal armed groups.

This report was confirmed by Interior Minister Viktor Yerin's office.

Vorobyev commanded all Interior Ministry units in Chechnya and adjacent regions.

Further on Death

LD0701171195 Moscow ITAR-TASS in English 1619 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—Head of the Russian Interior Ministry's operational management group in Chechnya, Major-General Viktor Vorobyev was killed in Groznyy this morning.

This report was confirmed by Interior Minister Viktor Yerin's office.

Vorobyev commanded all Interior Ministry units in Chechnya and adjacent regions.

Deputy Interior Minister Aleksandr Kulikov said Vorobev was commander of the Interior Ministry troops' task force sent to Chechnya to destroy illegal armed bands.

Kulikov said that Vorobyev's men cleared the buildings of the oil institute and the university in the centre of the city from Chechen militants on Friday. The buildings were planned to be turned into a headquarters of the task force.

Vorobyev was killed by a mortar shell that exploded near him during the transfer of the headquarters. In the evening his body was taken to Mozdok, North Ossetia.

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As a result of the explosion, several other Interior Ministry officers were wounded.

General Vorobyev is the first senior officer to be killed in Chechnya since the outbreak of violence there last December.

Government Issues Report on 7 Jan Fighting

LD0701133495 Moscow ITAR-TASS in English 1324 GMT 7 Jan 95

[FBIS Transcribed Text] Moscow January 7 TASS—The press service of the Russian government sent the following report to ITAR-TASS on Saturday:

According to information received by the press service, troops of the Russian Defence and Interior Ministries continued active operations to dismember illegal armed detachments in Chechnya and to blockade streets in the Chechen capital Groznyy in order to restrict movements of gunmen and to disarm them.

The command appraised actions by interior troops in Groznyy on ousting gunmen from the city as successful.

The resistance of Dudayev's supporters in the Chechen capital is waning. Some of them are leaving the city in southern direction.

Population in residential areas offers resistance to gunmen, helping interior troops and Interior Ministry officers.

At the same time, separate well-armed mobile groups continue their operations against federal troops in the city. They started using underground sewage and water mains tunnels to worm their way to flanks and into the rear of military units.

Combat operations are going on to free the Naurskiy district in Chechnya from armed mobs. Incidentally, the greater part of local population welcomes the arrival of interior troops.

Residents in the village of Rubezhnoye put sentries overnight to protect servicemen from gunmen.

Traffic was restored up to the Alpatovo station on the Chechen section of the railway connecting central Russia with Transcaucasia.

Reconnaissance groups are actively searching for Russian servicemen taken prisoner and carry out measures to free them. As a result, several imprisoned men and officers were hospitalised in the north Ossetian city of Mozdok.

Further on 7 Jan Fighting

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Fighting in Groznyy 'Fierce'

LD0701205295 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 7 Jan 95

[From the "Vremya" newscast; report by correspondent Sergey Omelchenko]

[FBIS Translated Text] Today's assault on Groznyy by federal troops has probably been the most fierce since the first storming of Groznyy on 31 December. But unlike that assault, today's offensive was carried out from one and not four directions, namely from the direction of the village of Yermolovskaya. Just one grouping was deployed at first. Its aim was to cover the advance of armored equipment. Tanks and armored personnel carriers managed this time to get through to the presidential palace and shell its lower floors. The upper floors caught fire when they were hit by long-range guns. The entire town is ablaze, the refinery and other industrial companies are also burning as well as residential houses. The Chechen side claims they disabled and

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set fire to about 17-25 military vehicles. The approaches to Groznyy were bombed today, just like yesterday and the day before. Incidentally, we were caught up in a shelling the day before yesterday. Mortars and howitzers are being used in the fighting.

Lebed Comments on Military Leaders' Actions

LD0601200195 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 6 Jan 95

[FBIS Translated Text] Our great military leaders have got themselves well and truly bogged down in the Chechen mire, and seem to be in an impotent fury over their total uselessness and helplessness. It is all very reminiscent of the 1940 campaign in Finland, General Aleksandr Lebed, 14th Army commander, declared today. The carnage in Chechnya must be stopped immediately and unconditionally, and we must sort out exactly what we have done there, his statement said. If there have indeed been cases of mass burials of Russian Federation servicemen without their relatives being notified, the federal commanders of the Chechnya operation must be declared war criminals, Lebed reckons.

Further on Lebed's Comments

LD0701204795 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 7 Jan 95

[FBIS Translated Text] There is no military solution to the Chechen problem, General Aleksandr Lebed, commander of the 14th Army, has said in an interview with our radio station.

[Begin recording] [Lebed] Our troops in Chechnya are unprepared in every respect and have suffered physical and moral defeat. On the other hand, the Chechen self-defence forces, the Chechen people who are waging a national war against the Russian army, have been inspired, have united, and have a new lease of life. So however much we increase our forces there, victory is no longer possible. [end recording]

Temporary Truce To Remove Bodies Rejected

LD0801100995 Moscow Radiostantsiya Ekho Moskvy in Russian 0600 GMT 8 Jan 95

[FBIS Translated Text] The Chechen president's supporters have made several proposals to the Russian command to have a temporary truce in order to take dead bodies off the town's streets and squares.

Our correspondent Vladimir Varfolomeyev reports that, among those taking part in the talks, was Colonel Kolobkov from the 131th Motor-Rifle Division, who had been captured during the New Year fighting.

[Varfolomeyev] At the request of the Chechen authorities, Kolobkov and representatives of the Russian Orthodox Church in Groznyy made four visits for talks to the command of the northern grouping of forces. They suggested a short truce should be imposed and an agreement reached on the collection of dead bodies in the town and on the exchange of bodies and those captured or wounded. According to Kolobkov, he held talks with General Babichev, who rejected all the proposals after consulting with his superiors. As a result, over 100 persons captured earlier still remain in Groznyy, while the streets are literally filled with bodies of Russian soldiers.

Under fire, the Chechens were only able to collect the bodies of Russian soldiers lying near the presidential palace. They were all stacked in one place, and now the sentries are firing short volleys to drive hungry dogs away from the bodies. This is the result of the Russian authorities unwillingness to collect at least the bodies of those soldiers whom they sent to certain death on New Year's Eve. Lieutenant Col. [as heard] Kolobkov admitted that the only order was to move forward when they were sent in for the storming, without any explanations as to what exactly they should do, where they should go, and whom they should capture. Many were not even sure who they were supposed to fight.

'Most Intensive' Combat Operations Described

LD0801132695 Moscow Ostankino Television First Channel Network in Russian 1152 GMT 8 Jan 95

[From the "Novosti" newscast]

[FBIS Translated Text] [Announcer Aleksandr Panov] The Christmas holidays in the Chechen capital were marked by cannonades. The frequency of explosions during the day yesterday reached 15-20 per minute. Our special correspondents Sergey Omelchenko and Aleksandr Migunov, who are at the epicenter of events, have just sent their report:

[Begin recording] [Omelchenko] Indeed, war does not recognize either holidays or days off. The most intensive combat operations began yesterday, on Christmas Day, and continued throughout the early hours and this morning. The town has been turned into ruins. Russian soldiers and Chechen irregulars are dying. Vigorous combat operations are continuing now as well. However, today their details and ups and downs are perhaps not all that important. A huge military machine will, of course, in the end, perhaps overcome the resistance in Groznyy. However, at the cost of how much blood? Are all Chechnya's weapons, which are intended for confiscation, worth that amount of blood?

Most importantly, for some reason people are forgetting now that Groznyy is a large interethnic workers' town, where a large number of Russians lived and worked: oil production and oil refinery workers, railway workers, workers of other enterprises, elderly people, women, and children. Now they are in a most deplorable state. Mortars, howitzers, and Grad rocket launchers are raining down mostly on these people for some reason.

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[Unidentified woman] We are in basements all the time. We cannot stay in our apartments. Everything we have has been burned; we have lost everything. How much longer will this war continue? When will they finally stop making a mockery of us.

[Second unidentified woman] You, representatives of the press, I ask you most earnestly, please appeal to our Russian Government that they stop bombing us. There are no Chechens here. Only Russian grandmothers with children have remained here. [end recording]

Chechens Claim 100 Russians Died During Attack

LD0801141095 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 8 Jan 95

[FBIS Translated Text] The Russian Army launched another attempt on Saturday to storm the presidential palace. The details of the attack emerged today in the capital of Ingushetia. Our special correspondent is there:

[Correspondent Vladimir Varfolomeyev] It was perhaps the most thoroughly prepared operation by Russian troops throughout the whole war. According to accounts from eyewitnesses who have returned from Groznyy, the attacks were preceded by fierce artillery shelling that lasted more than 24 hours. After midday on Saturday, tanks and armored personnel carrier's advanced on the palace from two directions. The first vehicles were knocked out; however, the assault force managed to get out of them and occupy several buildings many meters from the palace.

Fighting continued for several hours and resulted in the sides returning to their initial positions. According to information that reached Nazran today from the Chechen defense headquarters, the Russian Army lost 25 units of armored equipment and 100 dead. It has been impossible to confirm this information thus far. However, journalists who have returned to Nazran report seeing several disabled tanks right next to the presidential palace.

One more piece of information came from Groznyy today: The Chechens have captured 62 Russian soldiers approximately 1 km north of the city center.

Government Issues Statement on 8 Jan Fighting

LD0801175495 Moscow ITAR-TASS in English 1718 GMT 8 Jan 95

[FBIS Transcribed Text] Moscow January 8 (TASS)—The press service of the Russian Government issued the following statement on Sunday:

"According to the commanders of the federal armed forces in Chechnya, Russian troops continued to break up and disarm illegal armed groups in Groznyy over the past 24 hours.

"Gunfire was heard in the building of the former Regional (Communist) party committee throughout last night. The central part of the building is engulfed by fire. Observers do not rule out the possibility of score-settling among its 'defenders'.

Representatives of the Russian military commanders talked to the militants in the building through megaphones, urging them to lay down their arms and surrender. According to preliminary data, after (Chechen President Dzhokhar) Dudayev and (Chechen State Security Minister Sultan) Geliskhanov had fled, (Vice-President Zelimkhan) Yandarbiyev remained in the bunker as of the morning January 8.

"To reinforce the gangs, three trucks of volunteers aged between 16 and 18 have arrived in the city. 'A regiment of kamikazes' consisting of Khel Chechen highlanders (wearing black headbands) is taking part in the fighting.

"It has been established that some groups of militants, under the guise of civilians, arrive in the centre of Groznyy allegedly to bury their killed relatives. They receive weapons in the bunker and fight against the federal troops. After that they return the weapons and leave the city citing the same excuse.

"At the same time, some gangs continued to leave the city. Information has been obtained that they plan to use Russian children, women and the elderly as a 'living wall' for their retreat. According to other reports, Dudayev's forces are not retreating, but regrouping and part of combat-fit formations are heading for mountainous regions in the south to organise guerrilla warfare without weakening the defenses of the Chechen capital. According to information provided by refugees, there are allegedly about 150 Afghan mujahideen in Groznyy. They are well equipped and have grenade launchers, bullet-proof vests and white camouflage suits. Outwardly, some of them look like the 'elders', which helps them conduct reconnaissance.

"On January 6, 1995, an operation was carried out to search for a missing ambulance helicopter. The downed Russian ambulance helicopter was found near the town of Kizil (Republic of Dagestan). On the scene of the crash the bodies of four crew members were found, one of them beheaded, others with their extremities severed.

"According to specialists from competent organs, the bodies were maimed by Dudayev's militants who had infiltrated the area.

"Dudayev's commanders have stepped up their activity to put up resistance to the federal armed forces in the settlements adjacent to Groznyy. They are making plans to send groups and individuals to contact the military commanders of the federal armed forces in order to misinform them. In addition, there is a network of informers in North Ossetia, Ingushetia and Daghestan, who monitor the movement of troops of the Interior and Defence ministries of the Russian Federation. In the

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south Of Chechnya (in the mountains of the Vedeno, Shatoi and Itumli districts), the militants continued to establish bases and build strong points."

Missile Silos Found in Chechnya a 'Surprise'

LD0801131595 Moscow NTV in Russian 1600 GMT 7 Jan 95

[FBIS Translated Text] [Correspondent Igor Prokopenko] The Chechen tragedy continues to present surprises that go beyond straight combat operations.

[Begin Russian Deputy Prime Minister Nikolay Yegorov recording] Air reconnaissance has located four missile silos in an area to the west of the settlement of Bamut, which is situated in the south of Chechnya. It is thought that missiles like SS-13's had earlier been assembled in them. The area comprises four silos, a three-story command unit, an underground command unit 30 meters below ground, and an antenna field. Now reconnaissance is trying to establish what is located in the underground areas of this missile division. [end recording]

[Prokopenko] It is thought that these are missile complexes left behind by the Soviet Army. One would like to believe that these photographs do not come as a surprise to the relevant Russian bodies. However, there has not yet been a definitive answer specifying what is situated in these silos. Meanwhile, this matter is so serious that one can hardly be happy with mere assumptions.

[Begin Yegorov recording] I doubt that there are any missiles there. They ought to have been dismantled after the units were redeployed, but we will give you a definite answer once we have established all the facts ourselves. [end recording]

Strategic Forces' Chief of Staff Issues Denial

LD0801144895 Moscow ITAR-TASS in English 1429 GMT 8 Jan 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow January 8 TASS—There are neither troops nor weapons of the Strategic Missile Forces in Chechnya, Colonel-General Viktor Yesin, chief of staff of Russia's Strategic Missile Forces, said.

The statement followed media reports about the deployment of rockets in Chechnya.

He said that a rocket division was stationed in the town of Ordzhonikidze 25 years ago. The division was equipped with R-12 missile systems. One of the units—four silos—was deployed near the village of Damut.

However, in 1980 the division was disbanded, and its weapons and equipment destroyed under an agreement on intermediate- and small-range missiles. "All silos have been deactivated to rule out their use," Yesin said.

Russian Government Claims Dudayev Left Groznyy

LD0801150695 Moscow INTERFAX in English 1410 GMT 8 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 8 (Interfax)—The press service of the Russian government reports that "despite the fact that bandit formations are leaving Groznyy, Dudayev's fighters still retain several districts of the city under their control."

The governmental press service reports that "as it was established, in the afternoon of January 6 Dudayev and his private bodyguards left Groznyy and went to the populated center of Galanchezh." In addition, the press service asserts that "there are reliable data about escape of Chechnya's State Security Minister Sultan Geliskhanov from Groznyy, he is in Gudermes now."

According to data of radio interception, the press service reports, "several groups of fighters were ordered to leave Groznyy and to move to the city of Argun (to the east of Groznyy)."

The press service also reports that "early January a group of fighters (about 60, half of them women) swore the oath of allegiance to sovereign Chechnya and its president on the Koran. Members of this group must go to Russia, pretending to be refugees, an in particular, to Moscow in order to commit subversive and terroristic acts," the press service asserts.

It also said that "the information about participation of hirelings from Azerbaijan has been confirmed. They are paid not less than $500 a day. Afghan mujahideens penetrate Chechnya via Azerbaijan without any hindrances. They demonstrate special cruelty with respect to captive Russian soldiers."

Further on Dudayev's Movements, Others

LD0801152495 Moscow ITAR-TASS in English 1505 GMT 8 Jan 95

[FBIS Transcribed Text] Moscow January 8 TASS—The press service of the Russian Government issued the following statement on Sunday:

"The advance group of the press service of the Russian Government has reported that despite the outflow of gangs from Groznyy, (Chechen President Dzhokhar) Dudayev's militants still have several districts of the city under their control. Armour has been hidden in residential areas between apartment houses. Last night was relatively calm. According to intercepted radio communications, several groups of militants have been ordered to leave Groznyy and move towards the town of Argun. It has been established that on January 6, 1995, in the second half of the day, Dudayev and his bodyguards left Groznyy and headed for the village of Galanchezh. Trustworthy information has been obtained that

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Chechen State Security Minister Geliskhanov has fled Groznyy. He is currently staying in the town of Gudermes.

"In the beginning of January, in Dudayev's bunker, a group of militants (about 60 people, half of whom are women) swore on the Koran pledging their allegiance to sovereign Chechnya and its president. Members of the group should go to Russia under the guise of refugees, particularly to Moscow, in order to carry out subversive and terrorist acts.

"The residents of some villages in northern and southern districts of Chechnya are refusing to accommodate Dudayev's militants fleeing Groznyy.

"Reports about the participation of mercenaries from Azerbaijan in the fighting on the side of Dudayev have been confirmed. They are paid not less than 500 U.D. dollars a day. Afghan mujahideen penetrate Chechnya via Azerbaijan unhindered. They treat captured Russian soldiers with particular brutality.

"Over the past 24 hours, the operational group of the Ministry for Emergencies has prepared convoys of 17 trucks carrying food for refugees. Four tonnes of Christmas presents have been sent to the settlement of Beslan for paratroopers."

Ingush Vice President Denies Dudayev Left Groznyy

LD0801170695 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 8 Jan 95

[FBIS Translated Text] According to Russian Government's press service, [Chechen President] Dudayev has left the Chechen capital. However, in a Moscow Echo interview Ingushetia's Vice-President Boris Agapov denied this report.

Russians Troops Near Presidential Palace

LD0801164995 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 8 Jan 95

[Report by correspondent Valeriy Varfolomeyev]

[FBIS Translated Text] Detachments of the Russian army are just 15 meters from the presidential palace. We have learned this from journalists who have just returned to Nazran from Groznyy. The correspondents were unable to approach closer than 600 meters to the palace. Chechen field commanders have told us that they have learned that Russian armed forces yesterday managed to expand the area under their control to include the train station, which is situated at a distance of 1.5 km from the presidential palace, the interior ministry, and the state security building on Ordzhonikidze street. These buildings are just 500 meters from the center. Let me remind you that until recently about 100 Russian servicemen were held in the basement of the Chechen state security building. It is not known what has happened to them.

Therefore, if what the field commanders reported corresponds to reality, this means that the presidential palace is blockaded from at least two sides. The southern direction is still free. It may be used by Chechen fighters to retreat. I repeat, this is what two correspondents have told us: one from the British DAILY TELEGRAPH and the other from ITAR-TASS.

Russian Soldiers Reportedly Surrender, Captured

LD0801181995

[FBIS Editorial Report] Moscow Mayak Radio Network in Russian at 1615 GMT on 8 January carries a live report from Groznyy by Correspondent Sergey Omelchenko, describing non-stop artillery fire lighting up the sky like fireworks over the entire center of the town. He says the oil refinery is still alight. Earlier in the day, he says, Russian aircraft launched several rocket strikes against outlying areas; in one of these, he adds, a truck bringing in bread was destroyed and one man killed. He goes on to say: "According to the Chechen side, 37 armored vehicles in all have been destroyed today."

He continues: "Yesterday, 67 Russian soldiers surrendered in the town, according to assertions from the Chechen side, and 46 have been captured so far today. These men gave themselves up, and among them were soldiers in camouflage berets, in other words, special troops. The Chechens were indignant to find that some of those giving themselves up were drunk. This happened near where the heaviest attack by the Russian troops occurred—near the railway station and District 36, the old industrial district.

"There are very many dead lying in the streets. It is quite impossible to remove the bodies because shooting and artillery fire is continuing non-stop. The Chechen side has proposed—and not just today, but has been doing so hroughout this week—that military action should be halted for three hours so that corpses can be cleared from the streets of the town. And this means mainly corpses of Russian soldiers, because by and large they have been able to remove the corpses of their own fighters."

Omelchenko ends his report with a description of the freezing conditions in which people are living in basements, adding that babies have even been born in such basements in recent days.

'Ultimatum' Issued After Capture

LD0801191295 Moscow INTERFAX in English 1821 GMT 8 Jan 95

[FBIS Transcribed Text] Groznyy, Jan 8 (Interfax)—Chechen volunteers have captured today a unit of Russian paratroopers near the village of Alkhazurovo, 30 kilometers south-west of Groznyy, a spokesman for the Chechen armed forces headquarters told Interfax.

He said that "the Russian airborne unit landed in the area on Sunday afternoon. Today those Russian servicemen are POWs at the same village."

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The Interfax correspondent in Groznyy reports that after the paratroopers were captured, the Russian side issued an ultimatum: "Either the paratroopers are released, or on Sunday after 8 p.m., Moscow time, the village will be bombed by Russian planes." Eye-witnesses say that "the ultimatum was read out from a loud-speaker from the helicopter which was barraging over the Alkhazurovo Village."

The spokesman said that the "Chechen side does not intend to meet the demand by the Russian command."

TV Program Views Army Morale in Groznyy

LD0801231295

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1900 GMT on 8 January, on its "Sunday" program, carries a 4-minute report from Chechnya by Correspondent Aleksandr Ostrovskiy, who points out the importance of morale in a war, and wonders: "Why is the disarming of Dudayev's armed formations taking such a long time? One of the reasons is the absence of modern commissars. A couple of years ago, the institution of deputy commander for political affairs [zampolit] was effectively abolished. The commanders no longer have deputies, who would explain to the personnel the need to mount a particular military operation. The Russian soldier has never been a soulless cog of a war machine blindly fulfilling orders—speaking in barracks language, the absence of ideological support for the military operation in Chechnya."

Konstantin Pulikovskiy, commander of the Mozdok front, situated in an unidentified studio, says: "All the previous history of the past few years shows that we military men sometimes find ourselves being extreme in these matters. This was shown by the events in Tbilisi, in Vilnius, and other places. So there seems to be no guarantee that we do everything in accordance with the orders of the government, the order and decree of the president. In our hearts, there is doubt."

Ostrovskiy says the armed forces have not been trained to mount these kinds of police actions in their own country. There has only been practice in indoor training grounds against a "very notional" enemy. Last autumn, the Land Forces Command tried for the first time to deal with the subject in the North Caucasus Military District, but owing to the tight economic and political framework, the exercises were limited to command staff studies on maps.

Vladimir Semenov, commander in chief of the Land Forces, interviewed in an unidentified studio, says it is difficult to make someone feel patriotic at a time when his material circumstances are proscribed, especially today. So, Ostrovskiy continues, equipment and soldiers had to be brought in from the center of Russia, the Urals, and Siberia to the North Caucasus.

A soldier in Chechnya says the vehicles are not prepared properly and the soldiers are not experienced. Ostrovskiy says that according to the military reform, by 1995 at least a third of the army should be well-trained professionals under contract, but so far they comprise only a tenth of the armed forces. In addition, it is very difficult for Russian soldiers, brought up in the spirit of internationalism, to fight among civilians, returning fire only after being fired at. Video shows Russian soldiers in Chechnya, in tanks and in other, noncombat scenes.

'Hands Off Chechnya' Rally Held in St. Petersburg

LD0801191795 Moscow Radio Rossii Network in Russian 1800 GMT 8 Jan 95

[FBIS Translated Text] On Sunday, a rally organized by the public committee Hands Off Chechnya, which includes many political organizations, was held near the Kazan cathedral in St. Petersburg. Our correspondent reports that the rally organizers criticized the actions of the Russian Government and demanded an immediate cessation of all combat operations. They called on the gathering to block the checkpoint of one of the MVD [Ministry of Internal Affairs] military units in St. Petersburg, from which, according to their information, about 300 conscripts were to leave for Chechnya in the next few days.

Presidential Palace, Center of Groznyy Shelled

LD0801191595 Moscow INTERFAX in English 1853 GMT 8 Jan 95

[FBIS Transcribed Text] Groznyy, Jan 8 (Interfax)—In Groznyy Russian troops on Sunday [8 January] took another attempt to break through into the center of the city from the direction of the railway station (1.5 kilometers from the president's palace). A spokesman for the Chechen armed forces headquarters told Interfax that "out of 50 pieces of Russian armored technology over 10 pieces were destroyed, while the rest retreated to their initial positions."

The intensity of shelling of Groznyy on Sunday morning by federal troops reduced considerably. However, reports our correspondent, on Sunday afternoon shelling intensified.

Under shelling is mainly the center of Groznyy and the president's palace. The Interfax correspondent who worked in the close proximity of the palace, reports that the building is dotted with holes from projectiles. On the roof and on the facade there are many shot-holes. Fire was put out at the upper floors and now the once grey building became dark out of smoke.

In the basement there are up to 200 Chechen volunteers. In an attempt by Russian troops to attack the center of the city, volunteers leave the basement and occupy fire positions both in the building and at the approaches to it.

In the afternoon, reports our correspondent, planes appeared over Groznyy. They were flying at low altitude over the center of the city. However, due to growing

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intensiveness of artillery shelling and low smoke, it was difficult to determine whether they were bombing the city, reports out corespondent.

Further on Shelling

LD0901071595

[FBIS Editorial Report] Moscow Mayak Radio Network in Russian at 0630 GMT on 9 January carries a live report by correspondent Sergey Omelchenko by telephone from Groznyy.

Omelchenko says the fighting has not stopped during the night, with smoke billowing over the town and the constant sound of artillery shelling and gunfire. He says: "The Chechen side has repeatedly proposed a halt for at least three hours to collect dead bodies, but those who expect a victorious outcome of the conflict have rejected the proposal. A new wave of federal troops forced their way to the centre of Groznyy yesterday. APCs and tanks are shelling the presidential palace from about two or three blocks away. Yesterday, an air strike on one of Groznyy's squares destroyed a quote, strategic, unquote, truck with humanitarian aid. One person was killed and two wounded."

Omelchenko says the suburbs of Groznyy, populated mainly by workers, are also being shelled. He concludes his report by saying: "Looking at the barbaric face of this war, one wonders if the intended seizure of all the weapons in Chechnya is worth all of this immense bloodshed and suffering of civilians."

Russian Troops Control Two-Thirds of Groznyy

LD0901104095 Moscow Radio Rossii Network in Russian 1000 GMT 9 Jan 95

[FBIS Translated Text] Russian troops have control of two-thirds of the Chechen capital, a correspondent for the INTERFAX agency reports. The troops have approached Dzhokhar Dudayev's presidential building from the north and are several hundred meters from it now.

Fighters from among Dudayev's supporters are behind the Russian troops. According to the same source, a column of Russian armored vehicles can be seen moving along the Rostov-Baku highway from Ingushetia towards Groznyy.

Closing In on Presidential Palace

LD0901125995 Moscow Ostankino Television First Channel Network in Russian 1152 GMT 9 Jan 95

[Video report by Sergey Shatunov; from the "Novosti" newscast]

[FBIS Translated Excerpt] Various information agencies have reported throughout the day that the federal troops carrying out the task of dismembering Chechen home guard groupings by noon today had come within 50-150 meters of the presidential palace in Groznyy. [passage omitted]

The government's press service reported today that four people were detained at a checkpoint the day before yesterday. A large amount of rubles and U.S. dollars was found on them. They were trying to recruit fighters for the armed detachments of Dzhokhar Dudayev's supporters. [passage omitted]

Dudayev's Radio Conversation Reported

LD0901103095 Moscow 2x2 Television in Russian 0900 GMT 9 Jan 95

[FBIS Translated Text] Boris Agapov, vice president of Ingushetia, has said there was fighting around centers of resistance in Groznyy yesterday evening.

There are local inhabitants and Russian POWs in the bunker in the presidential palace, which has not been taken yet.

As far as the whereabouts of Dzhokhar Dudayev are concerned, yesterday a group of journalists in the bunker of the presidential palace were present while Dudayev's defenders spoke to him on a radio set with an operational radius of at least one kilometer.

Duma Deputy Claims Chemical Weapons Used

LD0601170995 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 6 Jan 95

[FBIS Translated Text] Today, State Duma Deputy Ayvars Lezdinsh told Ekho Moskvy from Nazran that at around 1500, Russian troops undertook their first chemical attack on Groznyy.

[Begin Lezdinsh recording] A sort of rainbow formed over the reservoir, which hung in the air for about an hour. This was the only spot in Groznyy where people could go to fetch water, by bucket. We have had reports there would be a chemical attack on Groznyy, but this is the first time it has happened; the entire town has been left without water, the water is contaminated.

So, Groznyy's hatred of Russia is quite understandable. I reckon it needs no comment. [end recording]

Further on Reported Use of Chemical Weapons

LD0601213095 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 6 Jan 95

[FBIS Translated Excerpt] [Announcer] The situation in Groznyy is still tense. As State Duma deputy Ayvars Lezdinsh told us for the first time Russian troops today used chemical substances when attacking.

[Begin Lezdinsh recording] A large quantity of a chemical substance of unknown properties was dispersed from the air, after which there was a rainbow hanging over the lake for nearly an hour. The leaders of the irregulars

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banned the inhabitants of the town from using this, the only place where they can get water, until water samples have been taken and analyzed. Banned forms of weapons are being used to bomb the villages; cluster and needle shells and bombs are being used in the bombardment. [end recording]

[Announcer] Ingushetia's Vice President Boris Agapov confirms these reports. However, he said that it was premature to make any conclusions.

[Begin Agapov recording] Some sort of powder was thrown from overflying aircraft which dispersed into the water of the reservoir. We don't know as yet what it is or what it does. [passage omitted] [end recording]

General Staff Source Cited on 'Blunders'

MK0601131095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 6 Jan 95 p 1

[Report by Yuliya Kalinina: "Operation 'New Year.' Groznyy Was Bombed by Diesel Engine Mechanics in Training To Be Pontoon Bridge Builders"]

[FBIS Translated Text] What really happened in Groznyy on New Year's Eve? Was it an assault by storm? Or was it a planned night-time troop advance toward the downtown area? Who routed, encircled, seized or held whom, and where? Government information so contradicts press reports that an outside observer, collating all the available data, is incapable of producing a clear picture of what was really happening in Groznyy.

We have managed to obtain information from a source, whom for the sake of convenience we will call a "General Staff officer who has been in the fighting zone in Chechnya." We do not insist that our source is 100-percent reliable, but the course of events he describes allows us to make a coherent picture out of the scanty and conflicting data that have come in over the past five days. The resultant "picture" of the assault seems fairly consistent and logical. Judge for yourselves.

So, on 31 December a decision was made to take control of Chechnya's capital and to disarm the detachments of irregulars located there.

Direction of the storming operation was exercised by an operations group headed by General Grachev which was positioned at a railway command and control post in Mozdok. The storming was begun by aircraft based at the airfields of Yeysk, Krymsk, Mozdok, and Budennovsk. Air Force Commander Deynekin, seeking to ensure the continuity of assault and bombing strikes, proposed engaging two sets of combat crews: When one set, having completed its combat mission, returned to the airfield, another was to take off immediately and continue the operation begun by the first set.

It proved not so easy to find suitable pilots. Pilots who have had enough experience of night-time sorties are few and far between in Russian aviation. Most of our "pilots" in training average 15 flying hours a year. The main task here was to select pilots who at least would not collide with each other in the air. But in the face of such odds by the time of the storming Deynekin still managed to raise a whole Su-24m wing (a total of five aircraft) which could operate guided systems like, for instance, homing RPK-500 missiles. Simultaneously with the start of aerial strikes artillery opened fire. They targeted "combat points set up by the enemy and concentrations of irregulars," which naturally involved shelling residential areas.

Meanwhile two battalions of the Pskov Airborne Division were dropped into the area of the railway terminal which they seized by the beginning of the new year, 1995. Ground troops, concentrated in three groups—Eastern, Northern and Western—moved in to link up with the paratroopers.

The Northern group, the so-called "Volgograders," proceeded faster and better than the others, moving along Groznyy's central street to the square in front of the presidential palace, seizing the assigned targets as scheduled. It would have been better if they had not been so fast! When they were just a few blocks away from the palace, the "Volgograders" were met by enemy fire from small arms and antitank weapons; the infantry was cut off from the tanks and forced to retreat. Groups of grenade throwers then proceeded to attack the unprotected armor. As a result, Russian units advancing from the north lost some 70 armor pieces (tanks, armored combat vehicles, and armored personnel carriers) and were forced to retreat, leaving behind their dead and wounded.

Units moving in from the west were stopped by fire on Groznyy's outskirts. The eastern group immediately got bogged down in fighting in the area of the suburban town of Khankala. The group included a regiment from the Leningrad Military District which had already had a hard time fighting earlier for the city airport, and therefore the "Leningraders" did not sport a particularly high morale.

Meanwhile the paratroopers, having received no support on the ground, had to abandon the positions they had taken, concentrate on the north side of the railway terminal, and fight under encirclement. Aircraft and artillery were doing their best to help the surrounded paratroopers but that was obviously not enough. New Year's Eve ended far from festively for the abandoned shock troops.

As of 5 January Russian troops' losses were as follows: 246 killed, 480 wounded, and more than 300 pieces of combat equipment and weapons. The losses by the Ministry of Internal Affairs interior troops are substantially lower because their personnel is trained and equipped much better.

It is better not to comment on the reasons for the defeat. It is enough just to name them. Our top military leaders

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simply cannot organize combat operations a city; they have completely forgotten about coordination and combat support; they do not have the slightest idea about army logistics. The personnel which was selected from virtually all Russian military units astounded even those officers who had seen plenty. The "best" snipers of the Moscow Military District on closer inspection turned out to be vehicle operators. The "pontoon bridge builders," who spent three days laying a bridge across the Terek, swearing to high heaven, were in fact automotive and diesel engine mechanics. Combat vehicle crews were raised in all subdivisions and they did not get to know each other until they were aboard the train. Understandably, they not only saw each other for the first time just before combat but also saw their combat vehicles for the first time then. Many vehicles, moreover, were not in good working condition. If the soldiers were lucky and their combat vehicles broke down before reaching the front line, the crew managed to develop some team spirit in the process of repairing it. If they were not lucky, they burned in their vehicle without having a chance to become friends.

Words are inadequate. This is our glorious army. In Chechnya it is the attacking side, and therefore it should be ideally prepared to conduct combat operations. And what—God forbid—if it has to act on the defensive?

In light of the above, only one conclusion can be drawn: Foreign Minister Kozyrev has come by a new powerful argument which he can easily use in opposing the admission of the former socialist countries to NATO. They want to join NATO because they are apparently afraid of us: such a strong, militarized neighbor, possessing formidable military might. There is no need to be afraid of us. We cannot do anything anyway. And Chechnya is the best confirmation of this.

Journalists 'Victimized' by Authorities

MM0601142795 Moscow IZVESTIYA in Russian 6 Jan 95 p 3

[Article by Oleg Panfilov of the Glasnost Protection Foundation: "The Next Target—Journalists"]

[FBIS Translated Text] During the month that events in Chechnya in the North Caucasus have been unfolding, 83 Russian and foreign journalists have been victimized. Two of them have been killed, four wounded, and three beaten up....

Russian and Western journalists are being subjected to various forms of victimization just because they are in the combat zone and are trying to bring objective information to their readers, viewers, and listeners.

The victimization began 1 December when a group of Russian journalists, who had flown out together with State Duma Deputy Sergey Yushenkov, were not allowed off the airplane at Mozdok airport by a decision of a certain military chief, and their return to Moscow was demanded.

From the first day of the military operations, servicemen from the Interior Ministry Internal Troops and the Defense Ministry have not judged the possession of accreditation documents as a permit to receive information from them or for free movement throughout the territory of the Ingush and Chechen Republics. As early as 8 December an Independent Television camera crew and ITAR-TASS photocorrespondent Sergey Velichkin had footage they had shot confiscated after they had made a reportage on the advance of a column of military vehicles in Mozdok. Two days later photocorrespondent Mikhail Dzhaparidze, AFP correspondent Stefan Orzhole [as transliterated], and U.S. CBS-TV camerman William Gasparini were treated similarly in Chechnya's Nadterechnyy Rayon. Then on 11 December, in the settlement of Barsuki on the territory of Ingushetia, Ingush Television cameraman Isa Kushtov was beaten up, and "spetsnaz" fighters not only broke his camera and took away the film he had shot, but also broke his shoulder joint and smashed his fingers. The same day a tank round was used in an attempt to intimidate a film crew from Polish Television.

From the first days of the Russian troops' advance, the real hunt for journalists began. On 12 December Magomed Barakhoyev, correspondent of the Ingush newspaper SERDALO, was made to expose a film to the light under threat of being shot, and Radio Liberty correspondent Georgiy Popkhadze was forcibly expelled from Chechnya to Dagestani territory after his audiocassettes containing materials collected by him had been confiscated; AP photocorrespondent Sergey Karpukhin and WTN-TV correspondent Nikolay Antonov were detained in the region of Nalchik, and a cassette containing materials shot by WTN cameraman Yuriy Burak was confiscated from him at Vladikavkaz airport.

But if such obstruction by the military can be considered as pressure, then they began to take more effective measures—shooting, in other words—13 December. At about 1300 hours on the outskirts of the settlement of Pervomayskoye, fire was opened without warning on a car carrying a film crew from REUTER. When the car stopped the soldiers took a videocamera away from cameraman Jean-Francois Bernigo, which was returned in exchange for two bottles of vodka. Some 12 bullet holes were counted on the strafed car. A team from Russian Television which appeared on the scene tried to film the incident, for which "Vesti" correspondent Roman Babayan was beaten up by the soldiers. The same day a film crew from the France-2 television company had a videocassette taken away from it in the vicinity of the settlement of Akhchoy-Martan. Three crews from the U.S. companies ABC-TV, NBC-TV, and CBS-TV came under machinegun fire, and two grenades were lobbed in their direction. Their car was damaged and again a cassette was confiscated.

The following day in the Groznyy region two Chechen television journalists—Abdul Mezhidov and Gilani Chasygov—were seriously wounded. A military helicopter deliberately flew low and fired at the journalists.

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On 15 December a team of journalists from "Avtorskoye Televideniye's" "New Studio" was fired on; Chechen Television cameraman Anvar Akhmadov was shot at in the vicinity of the settlement of Dolinskoye; and Jan Rozdzinski, correspondent of the Polish newspaper ZYCIE WARSZAWY, had guns pointed at him when he attempted to film a column of military vehicles next to the settlement of Barsuki in Ingushetia.

Finally, on 16 December the Russian Government began to intimidate journalists by saying that they would stop giving them accreditation and that they would have to leave Groznyy within 24 hours. At a Vladikavkaz hotel, where a group of Western journalists were staying, the telephone line was simply cut.

Sad as it is to admit this, the two casualties of the Chechen conflict—U.S. journalist Cynthia Elbaum and KRASNAYA ZVEZDA special correspondent Vladimir Zhitarenko—will not be the last on the list of victims. The authorities do not wish to see dissenting opinions on the tragedy in the North Caucasus, which is why journalists are being equated with the enemy and are for the moment tolerated, though the authorities would take satisfaction in dealing with them.

St. Petersburg Legislative Chairman Elected

LD0601181695

[FBIS Editorial Report] Moscow Mayak Radio Network in Russian at 1530 GMT on 6 January carries a 2-minute report quoting Radio Russia as stating that Yuriy Kravtsov has been elected speaker of the St. Petersburg legislative assembly. A total of 35 candidates were nominated originally.

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International Affairs

Foreign Debt Reaches $7.1 Billion

LD0801202495 Kiev UNIAR in Ukrainian 1755 GMT 8 Jan 95

[FBIS Translated Text] [no dateline as received] As of today, Ukraine's total foreign debt is $7.1 billion, of which $4.3 billion is in the form of debt obligations.

A considerable part of Ukraine's foreign debt consists of nonpayment for Russian and Turkmen gas. Ukraine owes the latter almost $1 billion and continues to make untimely payments for gas. Ukraine makes payments to Russia, but a debt of $1.5 billion remains for gas received from "Gazprom" in 1993. Talks on defining a mechanism for paying off the energy debt have so far not had any results; however at the Budapest summit, Russian Foreign Minister Andrey Kozyrev said that this issue will be decided before February 1995.

It is expected that by the end of 1995, Ukraine will receive a total of $5 billion from the West, after which, according to Daniel Kauffmann, head of the Ukrainian delegation at the International Bank for Reconstruction and Development, the debt will amount to almost $12 billion, or 12 percent. According to preliminary forecasts, by the year 2000, the Ukrainian debt will amount to $33 billion, which is almost half of the gross domestic product—FINANSOVA UKRAYINA, 4 January 1995

Masol Thanks Russia for Energy Support

LD0601212295 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Kiev, Jan 6 (Interfax-Ukraine)—This month Ukraine is expected to receive 80 percent of the natural gas it needs, Prime Minister Vitaliy Masol said on Friday.

After Turkmenistan on November 11 suspended its gas deliveries, "Russia helped Ukraine like a good neighbor," supplying it with an additional 5 billion cubic meters, Masol told a news conference.

Russia will provide another 4.5 billion cubic meters in the first quarter of 1995, the premier said, thanking Russia's Gazprom gas monopoly for "supporting Ukraine at a difficult moment."

Ukraine's coal reserves have lately gone down from 6 to 1.5 million tonnes, Masol said. Today the republic receives coal from Poland, Kazakhstan and Russia, he said.

He insisted that Ukraine be very economical with energy.

EU, Kiev Have 'Political Will' To Cooperate

LD0601185395 Kiev UNIAR in Ukrainian 1630 GMT 6 Jan 95

[FBIS Translated Excerpt] Kiev, 6 Jan—"Ukraine is an important element and factor of stability and security in the region and in Europe as a whole, and we can only confirm that we highly regard the way in which Ukraine is operating its external policy, together with all international organizations that work in this area," Alain Dejammet, deputy secretary general of the General Directorate of Political Affairs and Security at France's Foreign Affairs Ministry, told a news conference on completion of consultations between a delegation of three European Union representatives from France, Germany, and Spain, and a Ministry of Foreign Affairs of Ukraine working group. [passage omitted]

Answering questions from journalists, Ihor Kharchenko, head of the Ministry of Foreign Affairs of Ukraine Analysis and Planning Directorate, named the issues that were under discussion, as follows: Further cooperation between Ukraine and the EU [European Union], joint work to curb the crisis in Ukraine's energy industry, and European security etc. He added both sides had the political will to cooperate, which was the main result of the talks held.

On the degree of readiness of an agreement on partnership and cooperation with Ukraine, Mr. Dejammet said the EU delegation's visit was a sign of its desire that the agreement should take effect even before it was finally ratified. [passage omitted]

Masol, Cuban Discuss Cooperation

LD0601205895 Kiev UT-1 Television Network in Ukrainian 1700 GMT 6 Jan 95

[FBIS Translated Text] Ukrainian Prime Minister Vitaliy Masol today received Sergio Lopez Briel, Cuba's ambassador extraordinary and plenipotentiary, to exchange views on launching a Ukrainian- Cuban intergovernmental commission for trade, economic, and scientific and technological cooperation.

The ambassador gave a detailed account of the economic situation in Cuba, pointing out that, despite the existing difficulties, the Cuban side is ready to continue humanitarian assistance by providing medical treatment for those Ukrainian children who suffered from the effects of the Chernobyl accident.

Vitaliy Masol thanked the Cuban leadership for this noble undertaking.

Brazil, Argentina Confirm Readiness

LD0801183795 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 8 Jan 95

[FBIS Translated Text] Argentina and Brazil have officially confirmed their readiness for economic cooperation with Ukraine. Borys Tarasyuk, Ukraine's first deputy foreign affairs minister, received these assurances from the heads of the foreign policy departments of the above-mentioned South American states. He led the Ukrainian delegation, which paid a working visit to

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South America during the course of the week. Argentina's and Brazil's state officials and politicians hailed President Leonid Kuchma's steps to conduct radical economic reforms, and stressed their interest in their success.

National Affairs

Kuchma Asserts Anti-Corruption Remains Priority

LD0801181295 Kiev UT-1 Television Network in Ukrainian 1700 GMT 8 Jan 95

[FBIS Translated Text] One of the priorities in President Kuchma's policies this year remains the fight against corruption and organized crime. Oleksandr Razumkov, the president's first assistant, stressed this in an interview with journalists. He noted that at the moment there were improvements in the quantitative indices in the fight against the so-called fifth power; however, the quality so far remained low. This will be discussed at a meeting of the coordinating committee for the fight against organized crime scheduled for the end of January. It will sum up the results of the implementation of the presidential decree on urgent measures to intensify the fight against organized crime in the last six months.

Tarasyuk Discusses Russian Relations

AU0901102795 Kiev URYADOVYY KURYER in Ukrainian 3 Jan 95 p 6

[Interview with Borys Ivanovych Tarasyuk, Ukraine's deputy minister of foreign affairs, by Oleh Oliynyk; place and date not given: "To Act as Equal Partners, Respecting Each Other's Interests"—first two paragraphs are editorial introduction]

[FBIS Translated Text] A historical neighbor, a complicated partner, a strong ally.... There are more than enough definitions for Russia's place and role in Ukraine's policy, since the spectrum of relations between our states is extremely broad—ranging from family to geopolitical ties.

A URYADOVYY KURYER correspondent discusses some aspects of these relations with B. Tarasyuk, Ukraine's first deputy minister of foreign affairs.

[Oliynyk] Borys Ivanovych, the past year was marked with a considerable intensification of the Ukrainian-Russian negotiating process. What important aspects may be identified in it and on what points could an accord be reached?

[Tarasyuk] First of all, it is the resolution of the problem of nuclear weapons in Ukraine. From the beginning of the year, when the Tripartite Statement was signed by the presidents of Ukraine, Russia, and the United States, and to the end of the year, when the decision on Ukraine's joining the Nuclear Nonproliferation Treaty was finally adopted and, concurrently, security guarantees were granted to it—all of this was the leitmotif in Ukrainian-Russian relations. This problem had considerably complicated our ties. Second, during the year, intensive negotiations on a new interstate agreement continued, yet, this problem has not been resolved. There remain details, important details and, provided that there is political will, the work on the agreement may be completed at the beginning of the new year. The year 1994, like its predecessor, must start with positive developments in Ukrainian-Russian relations.

[Oliynyk] It may, therefore, be said that a certain strategic line in these relations continued and that they intensified after a new administration came to power in Kiev.

[Tarasyuk] Undoubtedly. President Kuchma's course toward a normalization and development of large-scale relations between Ukraine and Russia, other CIS states, and Western countries can be seen at least in an improvement of the general atmosphere of Ukrainian-Russian relations and of the personal relations between state figures of our countries. This does not resolve all problems, but will, sooner or later, lead to good results for the negotiating process in all directions.

It is worth saying that the search for a formula for our interaction and cooperation in the economic sphere has lately become more intensive. Russia, together with G-7 countries, took an active part in discussing issues of granting Ukraine economic aid in Winnipeg.

[Oliynyk] With regard to the general political accord: Prior to its signing, certain differences between the sides must be eliminated. On what issues could no accord be reached?

[Tarasyuk] The Ukrainian side insists that both sides confirm each other's territorial integrity and existing state borders between them. The Russians avoid the word "confirm," giving preference to the term "respect." Besides, we feel their reluctance to consider our borders as state ones, even though such a position is practically meaningless, but, at the same time, it provides grounds for political speculations as to the motivations of one of the parties to the negotiations.

We occasionally hear from Moscow that borders that were drawn in the Soviet Union and which are presently state borders of new independent states, are allegedly nothing more than "administrative" borders, and the thesis of "external" and "internal" CIS borders has been launched. All of this is illogical, and there is more politicization here than striving to tackle the problem from the point of view of law.

However, no matter what, Ukraine's state borders have been recognized, since every country, in recognizing another, thereby recognizes its territorial integrity and borders. Ukraine and Russia, as successors to the former Soviet Union, confirmed their adherence to principles of the Helsinki process, and this, too, is not conducive to manipulations on the borders issue.

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There remain problems in formulating provisions for the rights of national minorities: Ukrainians in Russia and Russians in Ukraine, and also on the return of cultural values. However, I am sure that mutually acceptable formulas will be found here.

Regarding the institution of dual citizenship, our legislation does not have such a concept, and therefore it cannot be included in the text of the agreement. It is also a product of excessive politicization, which generates more new problems than it resolves.

[Oliynyk] To what extent could the fate of the Black Sea Fleet be agreed upon? This specific problem seems to be the most essential one between our states.

[Tarasyuk] We can observe two approaches on the part of the Russian Federation: Either a general political agreement should first be concluded and then, proceeding from it, the Black Sea problem be tackled, or, no agreement can be concluded unless accords on the fleet are ready. In turn, the Ukrainian side does not believe that these two issues need to be connected. The talks have been under way for almost three years, but no particular progress has, so far, been reached. The positions of the sides are very dissimilar on questions of terms and "boundaries" of naval bases; our partners also avoid the term "lease," refusing to recognize us as owners of the coastal infrastructure.

The negotiating process is generally proceeding in quite an unstable manner. At the end of 1992, we had a package of well-drafted documents that were a further development of the Yalta accord, but it was not Ukraine's fault that this asset was not used. A situation took shape in which the Black Sea Fleet could really be united prior to its division in 1995, but this, apparently, was not in the interests of the Russian side. What was referred to as a joint fleet actually became the Russian Federation's fleet. This is precisely what follows from all the actions of its command, including those of Admiral Baltin. It is therefore time to dot all of our "i's" as soon as possible. It is now unacceptable for us to return to the concept of a joint fleet, as it is being proposed, because it is a fleet on the territory of Ukraine. If we agree to the deployment of a foreign fleet here, it must be called just that.

Some irresponsible politicians continue to take advantage of the fleet problem in their dirty game around the Crimea and draw servicemen into it. However, I would like to stress that such approaches have no future, especially after Ukraine has been granted international guarantees for its national security and territorial integrity.

[Oliynyk] The package of agreements between Ukraine and Russia that are ready for signing does not contain documents on restructuring our debts or on free-trade provisions. Why?

[Tarasyuk] My economist colleagues would be better qualified to answer this question, but, here, there is a political aspect, which is associated with the problem of assets and liabilities of the former Union. It was Ukraine, which proposed that this problem be considered within the framework of the CIS, but, unfortunately, the Russian side only defended its national interests and avoided stating the sum of the USSR assets. Due to the huge rates of increase of prices of energy sources, Ukraine has become the great debtor to Russia, which tends to "forget" about our share of assets.

The agreement between Ukraine and the Russian Federation on settling issues of the right of succession with regard to the external state debt and assets of the former USSR is subject to ratification by the Supreme Council in accordance with item 2 of Article 7 of Ukraine's law "On Ukraine's International Agreements."

[Oliynyk] At the December meeting of heads of CSCE member states in Budapest, the question of a possible expansion of NATO through the admission of eastern European countries, with the exception of CIS countries, was raised again. Since this variant is perfectly plausible, will this not lead to restoring bloc confrontation in Europe and will Ukraine not be confronted with the need to seek military and political contacts with Russia?

[Tarasyuk] Our state's legal principles preclude our participation in military blocs, and Ukraine did not raise the question of its membership of NATO. Nor is it a member of the CIS collective security system. However, it is true that, if several of our neighbors do join NATO, Ukraine will not feel more comfortable from the security point of view. We may find ourselves between two blocs. Besides, such a process will not lead to eliminating artificial military-political borders in Europe. On the contrary, a new dividing line will be drawn.

Ukraine's position is that not a single country has the right of veto in issues of central European states' (which include Ukraine) joining NATO. However, if we are asked whether Ukraine will feel better with closer NATO borders to the west, the answer will be in the negative.

Since the beginning of the revival of its independence, Ukraine embarked upon the road of developing cooperation with all European structures, including NATO. We consider it to be a structure that promotes stability on the continent and that has proved its usefulness after World War II. At the same time, life demands that new concepts and views of the general European security system be formulated. Continued thinking in terms of blocs is a stereotype, which needs to be abandoned. It is necessary to build a new security system, which would be based upon universal participation in it of all the states of the continent without exception. This system must include all states in the CSCE region in conformity with the concepts of building a new Europe, so that not a single country or group of countries find themselves in an awkward situation.

[Oliynyk] Ukraine fulfills peacekeeping functions in former Yugoslavia. Is such a role also possible on the territory of the CIS and under what conditions?

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[Tarasyuk] Quite possible. Ukraine must play a more active role in settling conflict situations in the entire CSCE area, including, of course, the CIS, but, first, this must be okayed by the Supreme Council and, second, by the mandate of the United Nations or the CSCE. Ukraine is ready to take part in the peace process in Nagorno-Karabakh and in Georgia, and these variants are being worked on. We repeatedly heard Russia declare that it is compelled to take upon itself the peacekeeping functions on the CIS territory since nobody else allegedly volunteers to assume them. I believe that other CSCE members must also assume responsibility so that no country is left to its own devices in crisis situations.

[Oliynyk] In this connection, one cannot help referring to the events in Chechnya. As is known, Ukraine's Supreme Council and government have given a certain assessment to those events, referring to them as an internal affair of the Russian Federation and cautioning Ukrainian citizens against any involvement in the conflict. Indeed, the inviolability of Russia's borders is also the inviolability of Ukraine's borders. The cause and effect connection here is obvious. At the same time, the Russian government has made a statement in which it has sharply ruled out the possibility of an involvement of a third force in the situation in Chechnya and even made its relations with other countries conditional upon their involvement or nonparticipation in the conflict. How would you comment upon the Russian Government's demarche?

[Tarasyuk] That statement has nothing to do with Ukraine, since not a single fact leading to such serious conclusions has been quoted by the Russian Government. Immediately after receiving the text of the statement, Ukraine's Ministry of Foreign Affairs turned to the Russian Federation's Ministry of Foreign Affairs, but we have not received any confirmation of such facts. Therefore, one is dealing here with the biased attitude of the authors of the statement.

However, on the whole, while assessing the situation in Chechnya, one should, certainly, not be governed by double standards. If we believe that Ukraine's territorial integrity and borders are sacred, why should we doubt the same right with regard to another state? It stands to reason that we favor a resolution of the conflict by political means, but, unfortunately, force was used in Chechnya and this led to human casualties, including among the civilian population. For us, this is a matter of concern as also is the fact that the combat actions lead to violations of human rights and freedoms.

[Oliynyk] Borys Ivanovych, what is your opinion of the thesis that the world has long been divided into spheres of influence of great powers and that it will be difficult for Ukraine to maintain its nonalignment and neutrality and become an independent geopolitical factor?

[Tarasyuk] Every country has its own interests, including those regarding its closest neighbors—this is understandable. However, the thesis on the "spheres of influence" is imbued with imperial ambitions. It is groundless in the international and legal aspect and has been completely discredited.

Ukraine exists as an independent geopolitical factor, and its stabilizing role is being increasingly recognized not only in the region of Central and Eastern Europe, but also on the entire continent. Ukraine's role in resolving European problems will increase as its economic reforms are successfully implemented.

[Oliynyk] I would like this to happen in the New Year. I wish you every success!

[Tarasyuk] Thank you. Please convey my best wishes to the readers of URYADOVYY KURYER.

Kuchma Approves Economic Reform Guidelines

LD0601192095 Moscow INTERFAX in English 1552 GMT 6 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The government meeting attended by President Leonid Kuchma Thursday has approved the guidelines on the government activities in implementing the president's concept of economic reforms.

It decided to draft an action program before March 1 on implementation of the main points in the president's report on the fundamentals of the economic and social policy.

Under the decision, the government will work for stabilizing the production, improving the living standards and the financial health of the economy and reducing the budget deficit to below five percent of the gross domestic product.

Liberalization of the economy and foreign trade, reform of the taxation system, stable supply of fuels, overhaul of the land relations, privatization of all small and 8000 medium and large enterprises and dramatic improvement of management structures are among the priorities of the program.

Steps will be taken to have trade and economic agreements with the countries which are the basic economic partners of Ukraine signed before January 15.

The government will revise before the 15th of every month the mechanism of social protection by amending the wages, grants, pensions and benefits.

The decision also notes that the letter sent by Prime Minister Vitaly Masol to parliament and criticizing the economic policy of the country's leadership had not been cleared with appropriate ministries and contained unjustified conclusions and biased evaluations of the situation.

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Anatoliy Galchinskiy, the president's macroeconomy adviser, had sharply criticized the letter and doubted Masol's ability to coordinate the efforts of all levels in the government.

Hermanchuk on Deficit; Less Than 10 Percent

LD0601192495 Moscow INTERFAX in English 1628 GMT 6 Jan 95

[FBIS Transcribed Text] Kiev, Jan 6 (Interfax-Ukraine)—Ukraine ran a budget deficit of 101.5 trillion karbovantsi last year which is less than 10 percent of the country's GDP, Finance Minister Petro Hermanchuk told a cabinet meeting on Friday. He said that "it stands at 111 trillion karbovantsi minus international aid" compared with a ceiling of 117.3 trillion karbovantsi set by parliament.

The minister said the government had managed to comply with IMF- set demands to keep the deficit at under 10 percent.

Hermanchuk put revenues received in the fourth quarter of last year at 44 percent of the annual government income with 18 percent of this amount being collected in December alone.

For his part, Prime Minister Vitaliy Masol said the government was due to meet in the next few days to discuss this year's draft budget.

However, First Vice Premier Viktor Pynzenyk said the new budget providing for a 59 percent deficit could hardly become the subject of discussion.

The proposed budget provides for revenues of 1.5 quadrillion karbovantsi compared with 4.5 quadrillion karbovantsi asked by ministries for budget financing.

Earlier, Presidential Aide for Macroeconomic Issues Anatoliy Galchinskiy said this year's deficit must be kept under 4-5 percent.

Pynzenyk Sees 'Better Things To Come'

LD0801182595

[FBIS Editorial Report] Kiev Radio Ukraine World Service in Ukrainian at 1300 GMT on 8 Jan 95 broadcast a 15-minute report by Radio Ukraine correspondent Anatoliy Komirenko on a two-hour phone-in with Viktor Pynzenyk, Ukraine's first deputy prime minister for economic reform, held at the MOLOD UKRAYINY [YOUTH OF UKRAINE] newspaper on 6 January.

During the phone-in Pynzenyk says that the situation was extremely difficult, with Ukraine on the verge of a national disaster, and that it was still difficult, although there were now signs of better things to come.

He said that production had increased since May, although full data for December was not yet available. He adds that there was no hyperinflation now, noting that inflation was 51 percent in 1994, lower than predicted, whereas it was 10,255 percent in 1993. He goes on to say that, not taking into account currency trading on 5 January, since 1 December the karbovanets had strengthened against the dollar by 5.7 percent, and against the Russian ruble by 33.1 percent. He goes on to say that the National Bank had not issued any credits to commercial banks in November, and that the government had not taken any funds from the National Bank since 8 December, but that the potential for inflation still remained great.

The main cause of monetary emission remained, however, the budget deficit. The government will be able to introduce a fixed exchange rate when there is no longer any need to print money to cover the budget deficit, he says. But in order to introduce the fixed exchange rate stabilization reserves are needed.

On privatization he says that the government will ask parliament to put everyone on equal terms. The property covered by privatization vouchers has been evaluated in 1993 prices, but a draft decision has been drawn up to index privatization vouchers. Full equality could never be achieved, he adds, because some enterprises were more profitable than others, and a lot depended on where the individual invests his voucher.

The budget for 1995 was almost ready, the correspondent says, with a deficit of five percent of the gross national income.

The correspondent adds that Pynzenyk did not give a straight answer to the question of whether he would agree to be prime minister.

Masol Discusses Current Economic Issues

LD0801160895 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 7 Jan 95

[Interview with Ukrainian Prime Minister Vitaliy Andriyovych Masol by Ukrainian radio correspondent Oleksiy Berezenko, Ukrainian television correspondent Volodymyr Hutsalo, and URYADOVYY KURYER correspondent Leonid Samsonenko; in Kiev on 6 January—recorded]

[FBIS Translated Text] [Unidentified correspondent] Although our economy is already functioning according to the 1995 calendar, no budget has been made as yet. This is why we would like you to dwell on the progress of drafting the budget and say when will this document be finally drawn up?

[Masol] Work on drafting the budget has been under way for approximately three months now. This is very complex and intricate work. It requires the efforts of many ministries and departments, first and foremost, the Finance Ministry, the Economics Ministry, the Ministry of External Economic Relations, the Tax Inspectorate, our oblast and city councils, and other bodies of state power. They all are taking part in drafting the budget.

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Therefore, this budget is dealing with key issues facing the state; in other words, we can say that this is a financial mirror of our state. In making the budget we should find solutions and resolve issues of our defense, issues of maintaining our Army, issues concerning the social protection of the population, issues of the pension fund, the size of pensions, issues of maintaining our interior troops, border troops issues, issues of foreign economic activity, and many others, including issues of investments and development of our social sphere and the industry as a whole.

We drew up the first version of the draft budget somewhere in late October and have spent many days working on it, even in December, when this work was especially intensive.

A version of the budget for 1995 has been drafted. These days we will work further on it, then it will be examined at the Cabinet of Ministers, at the councils set up by the president, and then it will be considered by the president and sent to the Supreme Council.

I can say that, first and foremost, the budget will be very complex. It will not be deficit-free. We should not expect this year, like previous years, to provide a deficit-free budget.

At a sitting of the Cabinet of Ministers, Academician (Lukinov) said that big, developed countries have budget deficits, therefore, there will be certain budget deficit in our country too.

I cannot say now what the size of the budget deficit will be. There are many options, and no figures should be disclosed in advance. We will consider it, then a solution will be found. The budget should resolve the most important issues: the social protection of the population, the Chernobyl accident, maintenance of the Army, pensions, financing the social sphere, issues pertaining to our medical doctors, education, culture, and so on. All this will be correlated, then a decision will be made on the size of the budget deficit, so as to ensure what I would call the minimal needs of our society. Everything else is out of the question today.

This is why, after the budget is approved, our country's socioeconomic development plan for 1995 will be drawn up within the limits of the budget allocations.

Second, I would like to say that our main task is to increase budget receipts. We should do everything possible to increase budget receipts. Therefore, I believe that a decision on the draft budget will be made in January, approximately by the end of the month.

[Unidentified correspondent] Vitaliy Andriyovych, you have more than once emphasized that the most important task facing your government is to support domestic producers and stimulate real output. The Cabinet of Ministers has proposed amendments to the tax legislation. How will these amendments serve the implementation of the above task?

[Masol] To put it in a nutshell, the three draft laws dealing with taxes were submitted to the Supreme Council. The income tax was already considered in its first reading. It will amount to approximately 30 percent of income, and value-added tax [VAT] will also be lowered from 28 to 20 percent.

There are many opinions today on this subject. I would like to say that certain issues of VAT were considered by the Cabinet of Ministers. We believe that no VAT should be imposed on imported components for the production sphere and on imported raw materials, so as to enable industry to work.

The most complicated issue in 1995 is that of circulating assets. This is why, we should use the tax laws to find ways of supporting enterprises to a certain extent, to help them cope with the onerous shortage of circulating assets. This is why we are making a decision to exempt from VAT imported components and raw materials required for production.

Therefore, we have also resolved some issues, first and foremost, not to impose VAT on products manufactured by our Blind and Deaf Society, for the Army, for the construction of housing, of for other social projects that are funded by the state.

Second, I would like to say that we should do everything possible to enable our enterprises to work and saturate our domestic market. Unless this happens, no matter how we support our industrialists we would have to prevent foreign enterprises from exporting their products at lower prices by imposing certain tax or other restrictions on the import of ready-made products. This would also concern the production of foodstuffs.

I believe that our domestic products should be [words indistinct], first and foremost. Second, this would concern the products of the light industry, mechanical engineering, and the like. Therefore, we will create conditions enabling our entrepreneurs to work. And the main issue for them is, primarily, the issue of circulating assets. I believe this will be one of the most complex issues in the first quarter of this year.

[Unidentified correspondent] Vitaliy Andriyovych, we know that last Thursday there was a sitting of the Ukrainian Cabinet of Ministers which was widely talked about. Several days before it was held, Ukraine's mass media carried rumors about a possible government reshuffle. As far as I am concerned, Ukrainian television also failed to cover that event fully enough. So, we would like to hear your opinion and comment on that event.

[Masol] The Cabinet of Ministers had to meet to consider the state of affairs that has taken shape in our economy. There were quite a few different rumors in this connection, and so on.

I will only read just one paragraph from the protocol decision that was made at yesterday's meeting of the Cabinet of Ministers: The meeting heard reports by

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Economic Affairs Minister [Roman] Shpek and Finance Minister [Petro] Hermanchuk on how the socioeconomic situation was developing in Ukraine at the end of 1994. The meeting discussed these reports and the documents on Ukraine's socioeconomic situation in January-November 1994 submitted by Prime Minister Masol. The Ukrainian Supreme Council of Ukraine and the Cabinet of Ministers then pointed out: Despite the complexity of the socioeconomic situation and the fact that many negative factors continue to produce their effect by inertia, certain signs and prerequisites have appeared over the past few months to show a general improvement in the national economy.

This is the decision that was made yesterday at the sitting of the Cabinet of Ministers. Therefore, all the comments are contained in the first paragraph of this decision. As far as some other questions are concerned, there was some criticism, it is true, of the (?service) and the head of the government, and there was criticism of other structures, of the National Bank and of other banks functioning here. I think this is normal. Such criticisms have to be made, and people should always respond to criticism and draw conclusions.

I would like to say that we have several issues that will create very (?real) difficulties in our economy. First and foremost, there is the fuel issue. I must say that the fuel situation in January is very difficult. First, there is a shortage of gas, of which we require approximately [pauses] ... Compared with December, we are short of 2 billion cubic meters of gas, or approximately 20 percent of our needs. This can cause very big difficulties for the whole of industry, especially for power engineering.

Second, we are running short of coal. Unfortunately, not all countries can supply coal to Ukraine. This is why the Power Engineering Ministry signed certain contracts in the last quarter for the supply of coal to Ukraine. The deliveries from Poland, Kazakhstan, and Russia have already gotten under way. Now the Power Engineering Ministry is signing agreements on the supply of coal during the first and second quarters of 1995. The thing is that we have actually used up all the reserves required for the more or less normal functioning of our electric power stations. More than 4.5 million of the 6 million tonnes we are supposed to have in reserve have already been used up. We must replenish the reserves.

Miners have somewhat improved their performance. However, the issue of settlements is hampering their work all the time. It is primarily the Industry Ministry that owes the largest debt to miners, because ferrous metallurgy is today the principal debtor. Second, the state budget also has a debt. Therefore, fuel is our main problem, so both the Cabinet of Ministers' commission which deals with these issues and the Power Engineering Ministry are now giving priority to tackling the fuel supply issue, above all the coal supply.

The second complex issue is the absence of mazut. Moreover, it is unavailable even if there were money to buy it. [Words indistinct] there is a shortage of mazut. We have used up all the mazut at our electric power stations. Therefore, I can emphasize that we will face a very complex and difficult situation during the coming month if we do not economize on fuels. Therefore, the task now is to find mazut and to find the money to pay for it.

At this point I would like to remind all leaders of enterprises and all our citizens that payments for electric energy and gas must be settled on time. Nobody will supply any more fuel to us on credit. Suppliers can probably tolerate this in January but then they will cut off Ukraine's supplies of gas, coal, and mazut.

I must tell you frankly that it is only because Russia displays good-neighborly attitude to Ukraine and treats it with great care and tact that it has met us half way. I flew to Moscow twice to resolve the issue of providing Ukraine with gas in December. In December Russia provided us with approximately 5 billion cubic meters of additional gas. And it is continuing to supply gas at this level. Besides, we agreed that Russia will supply 4.5 billion cubic meters of gas to Ukraine in the first quarter in addition to the gas supplied under the agreement we signed [words indistinct].

Therefore, I would put it this way: Turkmenistan has cut off gas supplies to Ukraine since 11 November, and no gas is now being supplied; Russia, on the other hand, is supporting us all the time. This is why, on behalf of the government, I would like to thank both (?RosGasProm) and the Russian Government for supporting Ukraine with gas supplies at this difficult time.

There is one more issue to be resolved in 1995—that of critical imports. This means that our imports significantly exceed our exports. The difference will be approximately $4 billion in 1995 and plus $1 billion of debts and interest on credits we are to pay out during 1995.

Can we resolve this issue today? Let us be frank. We do not have fuels and will have none for many years to come. This is why it is necessary to reorganize the economy structurally and create low-energy technologies. But this will take some time. This cannot be done in one year; this will take several years. However, there are issues that we can and must resolve within one or two years.

The production of medicines also belongs to the area of so-called critical imports, that is, it accounts for the difference between our exports and imports. According to calculations made by the Economics Ministry, we buy medicines to the value of approximately $600 million or more per year. Therefore, if we build our own capacities to produce many types of medicines in 1995, we could thereby decrease the volume of so-called critical imports.

Meanwhile, critical imports means supporting the exchange rate of our coupon [karbovanets]. If there is a big difference, in other words, if there is an unfavorable

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trade balance, any stabilization of the coupon will be out of the question. That is the way things are, whether we like it or not. This is why I tackled this issue in 1994 and would like to work to create our own capacities to produce medicines to be continued in 1995, so as to decrease the unfavorable balance of trade by $500-600 million.

Second, there are quite a few various soft drinks and spirits in our shops, but for some reason these are mostly imported drinks. I would very much like us to see our domestic products dominating, with Ukrainian symbols and with labels written in Ukrainian, and this is also a most important issue. This is why one of the issues to be resolved within the first six or nine months of 1995 is the production of bottles. For example, capacities for the production of 500 million bottles per year are under construction. Ukraine is rather rich in mineral waters. I would like Karpatska, Boryslavska, Bohuslavska, Lvivska, Zhytomyrska, or Vinnytska waters to be always available instead of the drinks we see today in our shops.

Another issue to be resolved with care is the issue of agriculture. There are many different opinions today on this subject. Heated debates on the issue are under way. The final decision has not yet been made, but I believe we should not reject altogether state order for the procurement of grain in 1995. Our collective farms and our peasants are not yet fully prepared to work in market conditions.

This is why I believe that state contract for agricultural produce should be retained in 1995. This is a very complex issue, and it will be one of the main issues in the 1995 budget. It is still being debated. It is still being discussed. There are different opinions, but some decision will be found in the near future and the issue will thus be resolved.

And the last—well not the last, but another—issue to which I would like to draw your attention today is that the purchasing power of our enterprises and population still remains very low. Therefore enterprises should seek markets for their products, and that is their main task for 1995. If we find markets for our products now, in this way, we will overcome the economic crisis. If we do not find markets for our products, above all machine-building products [pauses]... I would like to say that they have the largest share in forming the budget, if machine-building were to start to operate at a greater capacity now, there would be a very considerable improvement in budgetary revenue. This is one of the main such factors in budgetary revenue.

Therefore, markets for our products, the search for them, and the sale of manufactured products, is the main issue for our entrepreneurs in 1995. In 1995 machine-building and other products will be exempt from export tax. I would like our enterprises to make use of this opportunity in 1995 to increase their supply of products for export. But first of all markets need to be found for our products.

[Unidentified correspondent] Although our conversation has turned out to be not entirely optimistic, what would you wish our people on Christmas Day?

[Masol] First of all I would like to wish everyone a Happy Christmas. Frankly, I would to wish winter to be warm this year so that we can survive it despite everything and carry out spring field work very fruitfully, sow bread grain, and sow the other agricultural crops we ought to cultivate in 1995. My personal wish is that our life improves a little in 1995 and that everyone understands what market relations are.

So once again I wish you a Happy Christmas and all the best in your personal life. May you be lucky this year, so that in this Year of the Pig we will have both bread and pork fat.

Nuclear Plant Seen To Operate With 'Efficiency'

LD0901114995 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 9 Jan 95

[FBIS Translated Text] The results of the work of the first generating set of Khmelnitskiy nuclear power station since it went into operation in December 1987 have been announced. Over this period it produced over 41 billion kilowatt-hours of energy, a considerable part of which was above the planned figure. This was done thanks to a set of measures, particularly increasing the efficiency of the technological process. No serious technical faults have occurred at the generating set since it went into operation at the station. The current background radiation on the territory of this nuclear power engineering enterprise and the 30-km monitoring zone around it does not exceed what is natural.

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Belarus

Minsk To Join NATO Partnership for Peace Program

LD0601212595 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Minsk, Jan 6 (INTERFAX-WEST)—Belarussian Foreign Minister Uladzimir Syanko will head for Brussels on January 8 in order to sign the documents on Belarus joining the NATO Partnership for Peace program.

Head of the Belarussian Parliament's National Security Commission Anatoliy Novikov told Interfax that Belarus would "just formally participate in the NATO program." "Within the context of the present situation it is impossible to isolate oneself from other countries by a cover. We can exchange information and conduct consultations on some problems," he said.

Novikov said Belarus did not face a necessity for participating in joint military exercises or bringing its military equipment in line with the NATO standards.

He said Belarus would sign the frame document and was not obliged to go beyond its limits.

Edict Strengthening Fight Against Crime Issued

LD0801191195 Minsk Radio Minsk Network in Belarusian 1100 GMT 8 Jan 95

[FBIS Translated Text] Our defenders entered the New Year in last year's boots and shoes, but with almost doubled salaries. Investigators and operative employees of law-enforcement bodies, border troops, as well as customs employees will soon have their wages increased depending on their training, status, and type of work. This became known from the presidential edict, consisting of 14 points, on urgent measures to fight crime and stabilize the situation in the Republic of Belarus, which was made public at the end of 1994.

In accordance with the aforementioned document, the Ministry of Defense is to assign to the Ministry of Internal Affairs servicemen and a necessary quantity of means of transport not only for patrolling and staging large-scale law-enforcement operations, but also for providing more general help in securing public order and fighting crime. [Word indistinct] to the Ministry of Internal Affairs together with the Committee for State Security, the Chief Border Directorate, and the State Customs Committee with participation of local executive and judicial authorities will be required to be more effective in uncovering criminal formations, incidents of corruption, smuggling, and illegal drugs circulation. They are to prepare and confirm, by the end of January, regulations for procurement, accounting for, storage, and use of means of color copying, and by the beginning of the calendar spring they are to re-register all rifled weapons and to verify the reasons for their acquisition by citizens.

The presidential edict binds oblast, rayon, and town Executive Committees, as well as the Minsk City Executive Committees and the Ministry of Transport and Communications of ensuring appropriate premises for deployment of units of militia, public security, traffic, and transport militia, as well as equipping them with the necessary property.

The Cabinet of Ministers is, by the end of January, to check the implementation of the State Program of Urgent Measures for Reinforced Fight Against Crime, to ensure its timely financing, to allocate money for procurement of modern specialized technical means, and to equip with them the law-enforcement bodies. In order to ensure protection of the population against crime and to stabilize the situation in the republic, the Cabinet of Ministers is obliged to carry out, by the end of February, necessary theoretical work, i.e. to prepare and submit in an established order for consideration of the Supreme Soviet 10 new draft laws, including, in particular, drafts of legislative acts on fighting organized crime and corruption, and on the responsibility of citizens for illegal acquisition, storage, and carrying gas weapons, on raising criminal responsibility for crime against property, on increasing to 10 days the period of detention of persons under suspicion for committing major crimes, and on protection of witnesses, victims, and other participants of a criminal process from criminal assaults.

The republic's mass media, in compliance with the mentioned presidential edict, should reflect effectively the work directed at protection of rights, freedoms, life, health, and property of citizens, fighting crime that we have just done. It seems that it is only left to add that the presidential edict on Urgent Measures for Fighting Crime and Stabilization of the Situation in the Republic of Belarus came into force a week ago, on 1 January 1995.

Russia's Bolshakov Arrives To Prepare for Economic Union

LD0501190395 Moscow INTERFAX in English 1551 GMT 5 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Russian Vice-Premier Aleksey Bolshakov arrives for a two day visit in Minsk Thursday [5 January] evening.

The purpose of the visit is to sign eight bilateral agreements forming the foundation of the economic union of the two countries, in particular agreements on free trade, the formation of a customs' union, key principles of financial-industrial groups, nontrade payments, mutual convertibility of currencies, trade and economic relations in 1995. Two documents should also be signed on the future of Russian strategic facilities in Belarus: the Gantsevichiy radar station and the control center of the Russian nuclear submarine fleet in the Baltic and North Atlantic in Vileika.

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In an interview with Interfax Vice-Premier Mikhail Myashnikovich said that during the visit the two sides also intend to discuss the draft of the friendship and cooperation treaty. The fundamental political document is expected to be signed by the presidents of the two countries during Boris Yeltsin's visit planned for January, the beginning of February the latest.

According to Myasnikovich, the Belarusian government attaches much significance to the entire package of agreements without singling one the military documents. He stressed that Belarus intends to allow Russia use both facilities during a lengthy period in exchange for a small rent for the land where the facilities stand.

Myasnikovich estimated the economic effect of the free trade zone and customs union at $1 billion. He singled out that this formula of bilateral agreements is quite beneficial for both sides.

Government Raises Minimum Wage; Risk of Inflation

LD0601190995 Moscow INTERFAX in English 1552 GMT 6 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Premier Mikhail Chyhir has signed the government's resolution on increasing the minimum wage by 1.5 times, from 20,000 to 30,000 Belarussian rubles (about $3), from January 1.

Having reported about this decision at a press conference in Minsk, Chyhir recognized that this measure would lead to a 50-percent growth of inflation in January (in November- December it was about 30 percent).

Chyhir underlined that these measures are explained by the strive to soften social consequences of prices' liberalization for consumer goods. To this effect he informed about the Cabinet's plans to raise prices for essentials on the average by 1.6 times in January, in particular, the price for poultry will be increased by 1.5 times and for butter—by two times.

In Chyhir's words, this resolution of the government provides for the increase of wage for the first working category from 22,000 to 33,000 rubles, thus the average wage will be not less than 50,000 rubles.

The document guarantees additional monetary payments to needy people. For example, non-working pensioners will receive 50,000 rubles in addition to their pensions, families with children will additionally receive 25,000 rubles. The students' stipends have been increased to 130 percent of the minimum wage not including 25,000 rubles of monthly extra charge.

Chyhir qualified the situation in the republic's agriculture as "a crisis one." He is especially concerned over supply of agriculture with fertilizers and lubricants. The government hopes to improve the situation by implementing the Cabinet's initiative on introduction of an additional 1-percent tax for the development of agriculture which Chyhir proposes to impose on all economic subjects irrespective of their forms of ownership.

Chyhir on Plans To Increase Food Prices, Wages

LD0501215995 Minsk Radio Minsk Network in Belarusian 1700 GMT 5 Jan 95

[FBIS Translated Text] The Cabinet of Ministers of the republic has held a meeting on the issue of the new price rise. Ivan Gladki is reporting:

[Gladki] The news conference was held on the subject of the price policy of the government at the current stage. At the beginning, Prime Minister Mikhail Chyhir described the situation in the industry sector. He said that in December 1994, in comparison with December 1993, there was an increase in production of more than 7 percent. In comparison with November—8 percent, and it certainly gives hope.

The situation is more difficult, noted the prime minister, in agriculture, especially in respect of preparations for spring sowing. There are a lot of problems there, one of them is to do with prices on foodstuffs.

[Begin Chyhir recording] You know everything yourselves, you can see and observe how foodstuffs are taken abroad. In the sphere of pricing, it is, to a certain degree, overlooked on our part. Therefore, it goes without saying that we must take specific measures in order to prevent this export and at the same time to make it possible for soviet and collective farms to accumulate some financial resources for the sowing campaign. Therefore, we have prepared and confirmed a resolution of the Cabinet of Ministers that envisages the initial introduction of compensation payments to the categories paid from the budget and pensioners. Tariff rates and grades are being reviewed for industrial enterprises. The said resolution provides for increase in the minimum wage from 20,000 to 30,000 rubles [R] and the tariff rate of the first grade is going up from R22,000 to R33,000. We understand that this can by no means compensate the population for additional costs in connection with price rises, therefore additional allowances to tariff rates are envisaged. An additional allowance for the first grade will be R17,000. Altogether, a first grade worker will earn not less than R50,000. As you are probably familiar with this method, it is envisaged to make additional payments, which would respectively go down, to workers who have tariff grades up to seven. The additional payments to the seventh grade will be R4,600.

Unemployment benefits and grants for people who undergo job training will be increased by 50 percent. On 1 January a monthly compensation of R50,000 is coming into force for nonworking pensioners, who receive pensions for worked years and as part of social security

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provisions, for pensioners who work in soviet and collective farms and other agricultural enterprises. Altogether, the minimum pension including additional payments will be R109,000 a month. Families who have children of up to 3 years of age will receive child benefit of (R?25,000) and above three years—R20,000. It is also envisaged that citizens who look after an invalid of the first group or an elderly person will receive allowance of R50,000.

Students of higher educational and medium special-technical establishments will receive R20,000. Naturally all these additional payments that will be made to the population will be spread gradually and paid over a month. Therefore, price increases will be similarly carried out gradually and by the end of the month we will reach the planned level in respect of certain main types of food-stuffs: meat and poultry—approximately 1.7-fold, dairy produce—2.7-fold, butter—two-fold, other food-stuffs—1.5-fold and on average it is envisaged to increase prices on food-stuffs during January 1.6-fold.

Taking into account the extremely critical situation in agriculture, I think that some time in February it is planned that the president of the Republic of Belarus will meet heads of agriculture. During that meeting we will review the situation in respect of readiness for the sowing campaign and may determine in a more specific shape additional measures in order to improve the situation in agriculture. [end recording]

Oil Industry Said Facing 'Very Uncertain Future'

MM0501125595 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jan 95 First Edition p 7

[Report by Viktor Prikhodko: "Oil Headache"]

[FBIS Translated Text] Minsk—All the oil reserves in Belorussia [Belarus] have been prospected and surveyed. There are no new fields left. Oil became a "hot topic" in the country a long time ago. The problems of oil supplies from Russia, the attempts to find alternative sources in other countries, prices for "black gold," and the rapidly increasing debt to Moscow for raw material previously supplied are all a matter of acute concern to the president, parliamentarians, and the leaders of political parties.

The republic inherited two oil refineries from the USSR—the Novolipetsk refinery and the Mozyrsk refinery. The two of them can "process" around 30 million tonnes of oil a year. Belorussia needs 15-16 million tonnes a year for itself. "Foreign" oil makes up 13-14.2 million tonnes of that figure. The rest is extracted locally—in Gomel Oblast. What are the prospects for the development of the sector in the country?

The answer to that question is given in an interview with Grigoriy Puriy, chief of the "Rechitsaneft" Oil and Gas Extraction Administration, which was published in the newspaper RESPUBLIKA (the organ of the Republic of Belorussia Council of Ministers).

At the moment Belorussia's oil workers are coping with the extraction targets but it emerges from Grigoriy Vasilyevich's replies that as early as 1995 they will find it difficult to produce their "standard" 2 million tonnes.

In this connection Belorussia's oil industry faces a very uncertain future. Until recently many oil workers were employed on the tour of duty method at fields in West Siberia but Russia has now dispensed with the services of foreigners.

It goes without saying that all these things are just another headache for production in the republic.

Moldova

Gagauz Authorities Start Government-Forming Process

AU0501200395 Chisinau BASAPRESS in English 1950 GMT 4 Jan 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 4/01/1995—The Gagauz leadership began preparations for the constitution process of the "Gagauz-Eri." Gagauz parliamentary spokesman Vasiliy Neykovchin told BASAPRESS that the activities to carry out elections for the Gagauz People's Assembly and a referendum for the establishment of the "Gagauz-Eri" territory will be coordinated with the Chisinau Government. Neykovchin also said that the special juridical status of the southern districts does not stipulate the dissolution of local governments until the establishment of the "Gagauz-Eri." "The parallel Gagauz bodies will be preserved until the results of the Gagauz leadership elections to be held on 16 April will be made public," said Neykovchin. Ministry of Justice officials, asked to give their opinion on the legitimacy of the Comrat leaders' authority to form constitutional bodies, refused categorically to make any comments on grounds that "this situation was created by the deputies who have to define these subtleties."

In Chisinau yesterday a mixed governmental commission for implementing the law on the special juridical status for the districts densely inhabited by the ethnic Gagauz was formed. Valeriu Bulgari, vice premier, was appointed head of this commission and so was Stepan Topal, Gagauz president from Comrat. Head of the parliamentary juridical commission for appointments and immunities Eugen Rusu told BASA that although the Gagauz officials still maintain parallel state structures, Chisinau never admitted their legitimacy. The correct application of the mechanism for constitution of Gagauzia largely depends on the Chisinau Government, said Rusu. Ion Ungureanu, head of the parliamentary commission for state security, told BASA that the mechanism for constitution of Gagauzia does not presuppose the dissolution of the Comrat parallel state structures because those were not accepted by the Chisinau authorities. Parliament's vice chairman, Nicolae Andronic, has recently declared that the current Gagauz leaders cannot be ignored. If "they will be members of the governmental commission, they will not be able to occupy posts in the Gagauz leadership bodies."

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Kazakhstan

Appeal for Peaceful Settlement in Chechnya

LD0601191395 Moscow INTERFAX in English 1552 GMT 6 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin; all quotation marks as received]

[FBIS Transcribed Text] The republic's leadership "considers Chechnya as a component part of the Russian Federation but it cannot stay impassive at seeing what is happening," head of the International Department of the president's administration Konstantin Zhigalov, told Interfax in Alma Ata [Almaty] on Thursday [5 January].

Kazakhstan cannot stay idle at seeing how developments in Chechnya are becoming tougher and that more blood is being spilt," he said.

He gave no comment concerning the statements by some Western politicians who denounced Russia for "the excessive use of force in Chechnya." Zhigalov only said that "Kazakhstan's position on the issue coincides with the position of leading democratic states in the world."

He said that Kazakhstan's leadership appeals to the Russian Federation "to maximally use all possibilities for a peaceful settlement of the conflict."

Railmen Congratulated on Kazakh-Russia Rail Link

LD0601182095 Moscow ITAR-TASS in English 1600 GMT 6 Jan 95

[By KAZTAG correspondent Anatoliy Tyshler for TASS]

[FBIS Transcribed Text] Almaty January 6 TASS—A final 1,000-kilometer long stretch of electrified main line, which links Kazakh railways with those of Russia and the Central-Asian republics, was put into operation on Friday [6 January].

Builders from Russia, Uzbekistan, Ukraine and Byelorussia [Belarus] participated in the construction operations.

Kazakh President Nursultan Nazarbayev delivered a speech at a meeting held to mark the occassion at the largest junction of Shu on Friday. He congratulated the railmen on the completion of an important construction operation of international significance.

Some 2,000 kilometers of contact cables, over 800 kilometers of communications cables, over 600 kilometers of electrical transmission lines were installed within the shortest possible time. A total of 23 brand-new structures were put into operation, including a double-track five-span bridge thrown across a deep canyon.

Autocontrol and centralized dispatching facilities were modernized at 47 railway stations.

To accomodate all stations to receiving and processing enlarged freight trains, the station tracks were lengthened at all the stations along the main line, which crosses Kazakhstan from north to south.

Prime Minister's, Deputies' Duties Detailed

LD0701112295 Almaty KAZTAG in Russian 1300 GMT 6 Jan 95

[FBIS Translated Text] The republican government has adopted a resolution on sharing responsibilities between the prime minister, his deputies, and the business manager of the Cabinet of Ministers. Prime Minister Akezhan Qazhygeldin is to exercise direct leadership over the Cabinet of Ministers, coordinate the work of ministries, departments, and other state management bodies, heads of regional, Alma-Ata [Almaty] and Leninsk city administrations in socioeconomic development of the republic and control the implementation of the government's program aimed at speeding up the reforms and lifting the country's economy out of crisis.

The prime minister is also responsible for coordinating the state investment policy, law enforcement bodies, international relations, general issues related to the work of ministries of foreign affairs, defense and justice and the national security committee.

The First Deputy Prime Minister of Kazakhstan Nyghmetzhan Yesengharin is responsible for general and day-to-day issues of state management of the branches of material production, construction and communications and interaction with territorial bodies of management.

To raise the efficiency and upgrade the economic management of the state management agencies, organizing and increasing the production of consumer goods, material and technical provision, the implementation of the state investment policy and anti-monopoly and pricing policies.

[He is in charge] of the State Committee for Emergencies, the Committee for the State's Material Reserves Under the Cabinet of Ministers, the civil defense headquarters, the Ministry of Transport and Communications, the ministry of housing, the state committee for pricing and anti-monopoly policy, the body exercising technical supervision and activities in the CIS framework.

Deputy Prime Minister Vitaliy Mette is responsible for the state management of the branches of material production, scientific and technical progress, the Ministries of Industry and Trade, Power and Coal, Science and New Technology, Geology and Protection of Natural Resources, Oil and Gas Industry,and Ecology and Biological Resources, Kazgeodeziya [geodesist], the Main Directorate for Standardization and Meteorology, the National Patenting Department, the agency for nuclear

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power, the national space agency, the committee for defense industry and the Trade and Chamber Commerce. He is also in charge of the foreign economic activity.

Deputy Prime Minister Viktor Sobolov is responsible for the day-to-day implementing of economic reforms, drafting of the republican budget and indicative planning, controlling their implementation and shaping of financial, currency and pricing policy.

Sobolov is also in charge of employment issues, labor and wages, social protection, dismantling of state property and privatization, development of entrepreneurship, the work of the Ministries of Economy, Finance, Labor and Social Security, the State Committee for Managing the State Property, the State Committee for Statistics and Analysis, the main tax inspectorate, the state financial control committee, the National and other banks.

Deputy Prime Minister Akhmetzhan Yesimov is to coordinate the activities of the branches of the agro-industrial complex, [responsible for] providing the population with foodstuffs, implementing an investment program with a view to developing agricultural production and processing agricultural produce. He is in charge of culture, education, information, TV, press, health care, tourism, sports, studying and forecasting socio-political processes, morality of the society, interethnic relations, creative unions, socio-political and youth organizations.

He is responsible for the Ministries of Agriculture, Culture, Education, Press and Mass Information, Sport, Youth and Tourism and Health Care as well as Kazakhstan consumer's cooperation, the state committee for land tenure, the state committee for water resources, the state committee for meteorology, the committee for languages, Vak and Kazkasn [expansions unknown].

The business manager of the Cabinet of Ministers Syzdyk Abishev is responsible for organizing the work of the support departments of the Cabinet of Ministers. He coordinates the work of the ministries, departments, other bodies of state management and local administration. He is responsible for the interaction between the Cabinet of Ministers and the Supreme Soviet, the presidential apparatus. He studies and submits comments on the staff, appointed by the Cabinet of Ministers.

The leadership of the Cabinet of Ministers interacts with joint stock and holding companies, other republican bodies, public and other organizations in the areas they supervise. The following substitution was established: Qazhygeldin - Yesengharin, Yesengharin - Mette, Mette - Sobolov, Yesimov - Sobolov.

Prime Minister Meets Defense Industry Chiefs, Others

LD0701112895 Almaty Kazakhstan Television Network in Russian 1500 GMT 6 Jan 95

[FBIS Translated Text] Today Akezhan Qazhygeldin, prime minister of Kazakhstan, received leaders of the republic's military industrial complex. The problems of the industry were discussed and the necessity of keeping to the planned tendencies towards stabilization of production was noted.

On the same day the head of the government met with a delegation from the Karaganda and Ekibastuz coal mining trade union center. Plans for joint activities of the Cabinet of Ministers and the trade union were drafted to solve the acute critical situation.

A meeting of the heads of a number of ministries and the National Bank of Kazakhstan presided over by Akezhan Qazhygeldin took place. The republic's budget policy for 1995 was discussed.

Kyrgyzstan

Foreign Minister Concerned Over Chechen Events

LD0901095195 Moscow ITAR-TASS in English 0928 GMT 9 Jan 95

[By ITAR-TASS correspondent Boris Mainayev]

[FBIS Transcribed Text] Bishkek January 9 TASS—"We are extremely concerned over the latest developments in Chechnya", Rosa Otunbayeva, the Kirghiz [Kyrgyz] foreign minister, stated on Monday [9 January]. She called for resolving the conflict in a peaceful way.

"We proceeded from the view that Chechnya is part of Russia and we viewed Russia's actions in the contexts of its territorial integrity. Nor do we have any doubt about this now", the minister said.

However, "we are aggrieved at the events of the recent days. Military escalation is in progress", the minister said. She said "bloodshed must be immediately stopped and compromise must be sought".

"We in the Commonwealth of new Independent States should work out ways of preventing and resolving any conflicts. An intensive quest and political will of Commonwealth countries are needed for this", Otunbayeva said.

Movement Favoring CIS Integration Banned

LD0901110595 Bishkek VECHERNIY BISHKEK in Russian 8 Jan 95 p2

["A Bureaucrat Against the Union"]

[FBIS Translated Text] The Justice Ministry has refused to register the movement "For the Union and Fraternity of Peoples" which was set up last October, and has even strictly warned: The organization must cease its activities.

The "guilt" of the participants of the movement, it turns out, is that they are in favor of establishing a renewed union of multinational states - on a voluntary basis, and with equal rights and the federalization of its members.

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This, it is said, "violates the unity of the territory of the Kyrgyz Republic and of other republics".

But the fact that the leaders of the member countries of the Commonwealth of Independent States are moving gradually toward the idea of an association with a single managing body does not quite convince the Ministry of Justice. Yes, and the heads of the three Central Asian states - Kyrgyzstan, Kazakhstan and Uzbekistan - let us recall, are also doing much for the cause of regional integration.

But all of this by no means outweighs the opinion of minister Mukar Cholponbayev. Oh, the logic of clerks is so inscrutable!

Akayev Christmas Greeting to Church Members

LD0601211995 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Bishkek, Jan 6 (INTERFAX)—On occasion of the Christmas Kyrgyz President Askar Akayev addressed compatriots with a congratulation of members of the Orthodox Church.

He pointed to the merits of the Orthodox Church which made a great contribution to preserving civil peace, stability, and inter-ethnic accord in the republic.

Despite the difficult social-political situation the clergy did not fall into ethnic and political ambitions and did not permit to use it in anybody's interests, Akayev underlined.

New Interior Minister Boosts Street Patrols

LD0901095595 Moscow ITAR-TASS in English 0843 GMT 9 Jan 95

[By ITAR-TASS correspondent Boris Mainayev]

[FBIS Transcribed Text] Bishkek January 9 TASS—A special regime for the maintenance of order was introduced in the Kirghiz [Kyrgyz] capital Bishkek to curb crime. Later this regime will be spread to the entire republic.

Madalbek Moldashev, the recently appointed minister of the interior, ordered heavier patrols in the streets of the capital, the government press service stated on Monday. Patrols are headed by officers. The city was subdivided into sectors. Sixteen stationary and dozens of mobile posts were set up.

The new minister ordered a number of decisive measures against racketeers, tramps and black market traders in alcohol.

Groups of security service began effort to bring to light infringement of duties among personnel of law enforcement bodies. The entire personnel of the Kirghiz militia was warned that its staffers are under around-the-clock control.

Moldashev who was appointed interior minister last Friday replaced Abdybek Sutalinov who resigned after coming under serious criticism from President Askar Akayev for unsatisfactory effort to combat crime.

New Interior Minister Profiled

LD0901102195 Biskhek SLOVO KYRGYZSTANA in Russian 6 Jan 95

["A Brief Biography"]

[FBIS Translated Text] Madalbek Moldashevich Moldashev, was born in 1948 in the village of Don, Aravanskiy district, Osh Region, Kyrgyzstan. Military rank - colonel. Higher education. In 1972 he graduated from the Leningrad higher military school of the country's anti-aircraft defense troops, and in 1982 from the high school of the USSR KGB (the F.E.Dzerzhinskiy Academy).

Serving for more than a quarter of a century beyond the borders of Kyrgyzstan in many regions of the USSR, he passed the road from being a student to directorate head. He has 20 years of experience of working in USSR KGB intelligence and counterintelligence bodies. For five years he trained personnel at the Yu.V. Andropov Red Banner Institute of the USSR KGB. He is the author of a number of special textbooks.

He took part in military action in Afghanistan for three years. Awarded with the Red Star, the "For Bravery" award, medals and certificates from the USSR Supreme Soviet, the chairman and chiefs of the USSR KGB, and the command of the Soviet Army.

Fluent in three foreign languages; and also Uzbek, Kyrgyz, Tajik and Uighur.

Married with a son and a daughter.

Tajikistan

OSCE Secretary General Arrives for Familiarization Visit

LD0701110595 Moscow ITAR-TASS in English 1007 GMT 7 Jan 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe January 7 TASS—The aim of a three-day visit to Tajikistan by Welhelm Hoynck, secretary-general of the Organisation for Security and Cooperation in Europe, who arrived in Dushanbe this morning, is to familiarise himself with the social and political situation and political reforms in the republic, including parliamentary elections to be held on February 26.

ITAR-TASS learnt at the information directorate of the Tajik Foreign Ministry that the secretary-general intends to hold several meetings, including those with Tajik President Emomali Rakhmanov, Vice-Speaker of the

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Tajik Parliament Abdumadjid Dostiyev, Foreign Minister Talbak Nazarov as well as with the heads of diplomatic missions in Tajikistan representing OSCE member states.

Rakhmanov Receives OSCE Chief

LD0901114695 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 9 Jan 95

[FBIS Translated Excerpt] Mr. Welhelm Hoynck, secretary-general of the Organization for Security and Cooperation in Europe, was on a working visit in our republic, at the invitation of Emomali Rakhmanov, the president of the republic.

Today he met with Emomali Rakhmanov. The issues of the present social and political situation in the republic were mainly discussed at the meeting. [passage omitted]

Today, the secretary general also met with Abdulmajid Dostiyev, first deputy of the Supreme Council of Tajikistan, and the ambassadors of the foreign countries accredited in our republic. After the working visit, the distinguished guest left for Tashkent the same day.

Regime Needs Russian Help to Stay in Power

LD0901112095 (Clandestine) Voice of Free Tajikistan in Tajik 0625 GMT 9 Jan 95

[FBIS Translated Text] A ceremony was held in Dushanbe on Friday 6 January at which the caskets containing nine Russian border guards who were killed 2 January in clashes with the mojahedin in Darvazskiy district were sent home.

Tajik Prime Minister Jamshed Karimov and his deputy, Mahmadsaid Ubaydulloyev, participated in the ceremony and conveyed condolences from the regime's leader, Emomali Rakhmanov, to the Russian border guards. He also declared that the Government of Tajikistan needs their services, meaning that the Government of Tajikistan has clearly appealed to the border guards that if they do not safeguard Tajikistan's border the regime cannot remain in power for even a day or a week or a month.

Three Border Guards Die, 2 Wounded in Gorno-Badakhshan

LD0601123895 Moscow INTERFAX in English 1113 GMT 6 Jan 95

[FBIS Transcribed Text] Dushanbe, Jan. 6 (Interfax)—Three Russian border guards were killed and two wounded in the area controlled by outpost 6 of the Khorogskiy border guards unit, near the village of Porshnev in the East Tajik autonomy of Gorno- Badakhshan. Tajik opposition fighters assaulted a border guards patrol at 4:30, local time, on January 6, a Dushanbe-based army source told Interfax.

Now that Russia has "launched an aggression against Moslem Chechnya," the commander of the armed wing of Tajikistan's Islamic Revival Movement Rizvon Sadirov declared a holy war, djihad, on the Russian servicemen in Tajikistan.

The Federal Counterintelligence Service quotes Sadirov as ordering field commander Djunadulo to "give up group operations for the sake of guerrilla warfare." Djunadulo was ordered to lay more mines and plan more ambushes and acts of terrorism in Gorno-Badakhshan.

Correspondent Relayed False Report on Army Deaths

LD0701094995 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 7 Jan 95

["Statement from the Press Group of the Unified Command of the Collective Peacekeeping Forces"]

[FBIS Translated Text] At the beginning of January this year, unverified information from an ITAR-TASS correspondent in the Republic of Tajikistan, was transmitted in the Russian electronic media about the death from champagne poisoning of six military servicemen of the 201st Motorized Infantry Division located in Dushanbe. The Tajik Health Ministry carried out official tests, and later confirmed that some people were poisoned because of the presence of cyanide compounds in champagne bottles. During the holiday period more than 30 victims were taken to medical establishments in the capital of Tajikistan and neighboring regions after drinking this alcohol. Among them were both local inhabitants and Russian military servicemen and members of their families. However, as Tajik Health Minister Aalamkhon Ahmadov told media representatives, among the seven people who died from poisoning, only one was a Russian military serviceman. He was Captain Rozov, a commander of a battery of the 201st Motorized Infantry Division.

According to the head of the medical service of the Dushanbe garrison military hospital, the health of the other nine poisoned servicemen of the Russian Defence Ministry is not causing concern.

The haste with which some news agency correspondents accredited in the Republic of Tajikistan transmit unverified information, taken from doubtful sources, creates a distorted picture of events in Tajikistan among the population, provokes excessive nervousness, and does not promote the stabilization of the situation in the country.

New Local Executive Structure

LD0601175395 Khojand LENINABADSKAYA PRAVDA in Russian 21 Dec 94 p 1-2

[Resolution by the Supreme Council of the Republic of Tajikistan on the procedure for bringing into effect the Law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages]

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[FBIS Translated Text] The Supreme Council of the Republic of Tajikistan resolves that:

1. The Law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages is to come into effect from the moment of its publication.

2. Those parts of the Law of the Republic of Tajikistan dated 23 February 1991 on Local Government and the Local economy in the Republic of Tajikistan (together with the changes and amendments introduced to it) that do not contradict the Law on Local Government Organizations in Settlements and Villages remain in effect.

3. The government of the Republic of Tajikistan is to bring government decisions into line with the law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages; and it is to submit, according to the established procedures, proposals on introducing changes and amendments into the current legislation of the Republic of Tajikistan in the light of the adoption of the Law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages.

4. The chairmen of towns and districts are to hold elections of leaders of local government organizations (jamoats) for settlements and villages by 1 January 1995.

5. In accordance with the Constitution of the Republic of Tajikistan and the Law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages, until such time as the local government organizations in settlements and villages have been formed,

—the settlement and village councils of people's deputies are to carry out the powers that the Constitution grants the corresponding jamoats by the Constitution and the Law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages;

—The chairmen of the executive committees of the settlement and village councils of people's deputies are to perform the duties of chairmen of the corresponding jamoats.

[signed] Abdumajid Dostiyev first deputy chairman of the Supreme Council of the Republic of Tajikistan.

Dushanbe, 1 December 1994.

Law of the Republic of Tajikistan on Local Government Organizations in Settlements and Villages

Local government organization is taken to mean that system for organizing the people's activities in such a way that they act independently and take responsibility for resolving local issues either directly or through their elected organizations in accordance with the legislation of the Republic of Tajikistan. The local government organizations resolve issues that lie within their competence either directly or through their agents.

I. General provisions

Article 1

The local government organizations in settlements and villages are the jamoat-i shahrak [settlement council] and the jamoat-i dekhot [village council], respectively.

The jamoats assist in realizing citizens' rights to take part in managing public and government affairs; they bring citizens together to tackle social and economic tasks in their territories and the most important problems that impact directly on the population's interests; they assist the state authorities in implementing the Constitution and laws of the Republic of Tajikistan, acts issued by the president, the Supreme Assembly and the government of the Republic of Tajikistan, and decisions by the corresponding assemblies of peoples' deputies and the chairmen of these.

Article 2

The jamoats are established on a territorial basis.

The territories on which local government organizations operate are defined by the legislation of the Republic of Tajikistan.

The main form taken by citizens' local government is the meeting of the representatives. Citizens who have reached the age of 18 and who reside permanently in the republic can take part in the jamoat's work.

Article 3

The procedure for elections to local government organizations in settlements and villages, the organization of their activities, and the scope of their powers is regulated by this law and by other legislative acts of the Republic of Tajikistan.

Article 4

Local government organizations in settlements and villages enjoy the rights of legal entities and possess a heraldic seal of the established pattern.

II. Procedure for convening the jamoat

Article 5

The jamoat is convened by the chairman of the jamoat by agreement with the corresponding Assembly of People's Deputies or with the town or district chairman; it is convened as often as necessary, but no less than twice a year. The jamoat may also be convened by the Assembly of People's Deputies or the town or district following an initiative by at least one-third of the citizens who have the right to take part in the jamoat.

Article 6

Representatives of a street, local ward [mahalla], or other territorial unit within the jamoat-i shahrak can become delegates to it. Representatives of the villages under a

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jamoat-i dekhot can become delegates to it. Norms for the quota of representation and the delegation procedure are established by the town or district Assembly of People's Deputies or by the town or district chairman.

Article 7

The jamoat is quorate if no less than two-thirds of the citizens' representatives delegated to it are present.

Article 8

A working presidium is elected to run the jamoat. The jamoat is led by its chairman. Decisions on all matters are made by open ballot and a simple majority of votes of those present.

Article 9

At each jamoat minutes are made that indicate the date on which it was held, the number of representatives who participated, the agenda and the decisions made. The minutes and decisions of the jamoat are signed by the chairman of the jamoat, or in his absence by one of the deputy chairmen of the jamoat, and are sent to the chairman of the corresponding town or district.

III. Procedure for electing the chairman of the jamoat, the deputy chairmen and the secretary

Article 10

The chairman of the jamoat is elected by the jamoat at the suggestion of the chairman of the corresponding town or district.

The number of deputy chairmen of the jamoat is established by the chairman of the town or district.

The deputy chairmen and secretary of the jamoat are elected at the suggestion of the chairman of the jamoat. The chairman of the jamoat, the deputy chairmen and the secretary are considered to have been elected if half of those present vote for them.

The chairman, the deputy chairmen and the secretary of the jamoat are elected for terms of five years.

Article 11

Elections of the chairman, deputy chairmen, and secretary may be held schedule at the proposal of the town or district chairman or following a written demand by at least one-third of the citizens who have the right to take part in the jamoat; in cases of repeated breaches of the Constitution or laws of the Republic of Tajikistan; where a court sentence is to be carried out; in cases of systematic failure to implement decisions of the jamoat, the Assembly of Peoples' Deputies and the Supreme Assembly, and the acts issued by the president and government of Tajikistan; as well as in cases of loss of citizenship, relocation outside the territorial boundaries of the given jamoat, and on other grounds provided for by legislation.

IV. Economic and financial basis for the operation of local government organizations

Article 12

Local government organizations own social and public-utility facilities constructed or acquired by them or given to them according to established procedure, as well as means of transport, economic inventories and other property that they acquire.

Article 13

The financial resources of local government organizations a reformed out of budget funds allocated by town and district Assemblies of People's Deputies, voluntary contributions from citizens and work forces allocated from charitable funds, and other sources, according to the procedures established in legislation.

Local government organizations' funds are held in their bank accounts, are used by them independently, and are not subject to confiscation.

V. Powers of local government organizations

Article 14

The jamoat:

—Approves the program of activities and the estimated expenditures for the local government organization, and the plans for improving facilities and sanitary conditions in residential areas;

—Determines the main directions of work of the chairman and deputy chairmen of the jamoat and hears their reports every year;

—Coordinates the resources of the population, enterprises, organizations, institutions under all forms of ownership on a voluntary basis in order to develop the social infrastructure on its territory;

—Organizes supervision of the spending of the funds available to it, and where necessary sets up an auditing commission and defines regulations for it;

—Considers matters relating to the creation of small enterprises, cooperatives, workshops, and traditional crafts centers;

—Considers matters relating to changes in the boundaries of the territory under its jurisdiction; to territorial administrative entities; and to the naming and renaming of streets, squares, and other sites; and prepares proposals for the relevant state organizations;

—Wields other powers in accordance with the legislation of the Republic of Tajikistan.

Within the limits of the powers granted to it, the jamoat makes decisions that are binding for all citizens residing on its territory.

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—Decisions made by the jamoat that contravene legislation can be appealed against in court or in an Assembly of People's Deputies.

Article 15

The jamoat approves submissions made by its chairman on plots of land that are allocated for private smallholdings, and decisions made by the chairman to grant land for possession, use, or lease by enterprises, establishments and citizens, to discontinue these entities' rights to possession or use land, and to confiscate land within settlements and rural population centers that are not part of the land-holdings of agricultural or forestry enterprises, establishments, or organizations.

The jamoat resolves other matters relating to land relationships in accordance with the legislation of the Republic of Tajikistan.

Article 16

Coordinating with the state authorities, the jamoat sets working hours for trading, public catering, and consumer service enterprises that are convenient for the population, and forms an administrative commission.

VI. Structure and organization of the functions of local government organizations

Article 17

The chairman of the jamoat has his own administration, the staffing numbers of which are established in agreement with the town or district Assembly of Peoples' Deputies or its chairman.

The work of the chairman, deputy chairmen, secretary, and staff in the jamoat's administration are paid for out of the district or town budget.

Article 18

The secretary and staff of the jamoat chairman's administration prepare material for the meetings of representatives, ensure that the decisions made by the jamoat and its chairman are brought to the attention of those who are to carry them out in good time, keep records, take responsibility for the safekeeping of documents, ensure the initial registration of men liable for or conscripted in the call-up in settlements and villages, and carry out other work that lies within the competence of local government organizations on the instructions of the chairman of the jamoat.

Section VII. Powers of the chairman of the jamoat

Article 19

The chairman of the jamoat:

—Organizes the execution of decisions made by the jamoat as well as its everyday activities;

—Organizes work to implement the Constitution and laws of the Republic of Tajikistan, acts issued by the president, Supreme Assembly, and government of the Republic of Tajikistan, and decisions made by local bodies of state authority;

—Disposes of funds, concludes agreements with legal and natural persons, and signs financial, banking and legal documents;

—Is able to represent the citizens' interests in bodies of state authority, in court, and in relations with enterprises, establishments, and organizations in cases foreseen by legislation;

—Takes measures to improve the material, housing, and living conditions of citizens;

—Organizes participation by citizens in improving facilities and making a greener environment, facilitates the improvement of trading and municipal services for the population, and deploys financial and other resources allocated for these purposes by enterprises and organizations located on the relevant territory;

—Organizes public supervision of the work of trade, social, and cultural enterprises and establishments located on the relevant territory;

—Facilitates the supervision of sanitary conditions in settlements, water supply sources, houses, schools, and other establishments;

—Organizes public works to maintain cemeteries and other places of burial in a proper state;

—Renders assistance to communications organizations in developing local telephone and postal communications, installing radio facilities, and protecting local radio installations;

—Takes measures to maintain and use unowned property, as well as property that has been inherited by the state;

—Organizes the registration of property divisions between families on peasants' homesteads, and keeps count of the residents of the relevant territory;

—Exercises supervision over the disposal and protection of land on the territory of settlements and villages, and submits matters relating to regulation of land relations to the jamoat;

—Organizes public supervision over the observance of building regulations, the upkeep of the land attached to houses, and veterinary regulations for keeping animals;

—Facilitates the timely receipt of tax, insurance, and other payments from the population;

—Organizes fire prevention measures in population centers, and where necessary involves citizens in preventing natural disasters and dealing with their consequences;

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—Renders assistance to law enforcement organizations in ensuring public order on the relevant territory;

—Organizes the notification of those liable for or conscripted in the call-up about their summons to the military commissariats, and involves the population in carrying out civil defense measures;

—Submits proposals on improving the financial, housing, and living conditions of invalids, badly-off citizens, and the victims of natural disasters to the state and public organizations;

—Organizes work to prevent neglect of under-age children, to find accommodation for children left without parental care in the appropriate state establishments, and to find work for young people;

—Organizes cultural education and health facilities, and develops the network of sports centers;

—Contributes to organizing and carrying out public and political measures on the relevant territory, as well as measures relating to festive and important dates;

—Submits the jamoat's proposals to the state authorities on the issues of renaming streets, squares, and other parts of population centers;

—Receive the citizens, considers applications and complaints from them, and take appropriate measures;

—Issues certificates proving identity and marital and property status, and other documents stipulated by the legislation of the Republic of Tajikistan;

—Registers documents pertaining to civil status and performs certain notary operations, in cases foreseen by the legislation of the Republic of Tajikistan;

—Exercises other powers in accordance with the legislation of the Republic of Tajikistan.

The chairman of the jamoat makes and signs those decisions that lie within his competence.

Actions by the chairman of the jamoat can be appealed against in town or district Assemblies of People's Deputies, or in court.

[signed] Emomali Rakhmanov, president of the Republic of Tajikistan, Dushanbe, 1 December 1994.

Turkmenistan

Gas Supplies to Ukraine Halted for Nonpayment

LD0601161095 Moscow INTERFAX in English 1300 GMT 6 Jan 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Moscow, Jan 5 (Interfax)—The government of Turkmenistan will not resume supplies of gas to Ukraine because it fails to pay for them.

Officials in the Turkmenian embassy in Moscow told Interfax that Turkmenistan would not hold any talks with Kiev until Ukraine honors all its commitments under the November 5, 1994 bilateral agreement.

Ukraine owes Turkmenistan nearly $1 billion for gas supplies.

Deputy Prime Minister To Head Foreign Ministry

LD0601190895 Moscow INTERFAX in English 1510 GMT 6 Jan 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Ashkhabad, Jan 6 (Interfax)—In accordance with the decree of the Turkmenian [Turkmenistan] president dated January 6 Vice Premier Boris Shikhmuradov who monitors the Foreign, Defense, National Security, and Interior Ministries, has been appointed to the post of head of the Foreign Ministry.

Shikhmuradov is 45 years old. He is a Turkmenian. He graduated from the Moscow State University and is a journalist specializing in foreign policy. He has worked in the APN (news agency) and the USSR Foreign Ministry in 1971-1992.

In May 1992 he was recalled at the disposal of Turkmenistan's government where he occupied the post of Deputy Foreign Minister. He has been the republic's vice premier from January 1993.

Uzbekistan

Transportation Agreements Signed With Tajikistan

LD0701161795 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] Tashkent, January 7. (Interfax)—Several intergovernmental accords on motor, rail, and air haulage were signed at the end of Uzbek-Tajik talks in Tashkent Friday [6 January].

One agreement provides for reopening regular air service between the two republics, interrupted during the civil war in Tajikistan. Three air routes will be reopened soon to link Dushanbe with Tashkent, Andijan, and Samarkand.

By yet another document, Uzbekistan is to help Tajikistan lay rail and motor roads, span the Chil Makhram river, and build a petrol bitumen plant in the Khatlon region.

President Approves State Border Regulations

LD0601212895 Moscow INTERFAX in English 1911 GMT 6 Jan 95

[FBIS Transcribed Text] Tashkent, Jan 6 (INTERFAX)—Uzbek President Islam Karimov signed a resolution of the government on Uzbek residents crossing the state border today.

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The resolution stipulates that Uzbek residents have the right to free travel beyond the borders of Uzbekistan, including business and private trips, migration abroad, going abroad for studying, receiving medical treatment and tourist trips. Uzbek residents will not be required visas for travelling to the CIS countries.

In accordance with the resolution, the right to free travel will be limited for bearers of state secrets, those under trial, specially dangerous recidivists and those drafted to the army.

Karimov Edict on Registration of New Enterprises

LD0701113595 Tashkent NARODNOYE SLOVO in Russian 7 Jan 95 p1

[Edict by the President of the Republic of Uzbekistan with the aim of facilitating and unifying the process of registration of economic entities operating on the territory of Uzbekistan]

[FBIS Translated Text] 1. From 1 March 1995, the functions of carrying out a legal, expert examination, and the registration of newly created enterprises, using foreign capital, which operate on the territory of the Republic of Uzbekistan is passed to the Ministry of Justice of the Republic of Uzbekistan; the Ministry of Finance of the Republic of Uzbekistan is freed from the function of registering such enterprises.

The Ministry of Justice of the Republic of Uzbekistan will register joint ventures in accordance with legislatively established procedure, having ensured the necessary agreement with interested departments.

2. The Ministry of Finance of the Republic of Uzbekistan, within three weeks, will hand over to the Ministry of Justice of the Republic of Uzbekistan, in accordance with established procedures, the state register of joint ventures, as well as the registered and effective documents for registering enterprises with foreign investments.

3. It is established that the reregistration of previously registered enterprises with foreign investments, will not take place in accordance with this edict.

4. The Cabinet of Ministers of the Republic of Uzbekistan will:

In accordance with established procedures, introduce proposals to the Supreme Assembly of the Republic of Uzbekistan on introducing addenda and amendments into existing legislative documents;

within one month, ensure that previously adopted resolutions of the government of the Republic of Uzbekistan, and also ensure that normative documents of ministries and departments are brought into line with this edict.

[signed] President Islam Karimov of the Republic of Uzbekistan

[dated] Tashkent, 6 January 1995

Edict on Stimulating Private Entrepreneurship

LD0501205895 Moscow INTERFAX in English 1922 GMT 5 Jan 95

[FBIS Transcribed Text] Tashkent, Jan 5 (INTERFAX)—Uzbek President Islam Karimov signed the decree titled "On initiating and stimulating private entrepreneurship" Thursday [5 January].

The decree provides for "wide involvement of the republic's population in business activities and a qualitative leap of the role of private business in the production sphere and public services sector."

The decree envisions "fully equal rights for entrepreneurs and state-run enterprises in what concerns material, technical, information and personnel support." Executive bodies are prohibited from interfering in businessmen's commercial activities.

The decree lifted a restriction on the number of employees at a privately owned enterprise.

The document defines measures for granting businessmen privileged credits and taxation. In particular, enterprises "producing and processing agricultural produce, manufacturing consumer goods, industrial purpose items and construction materials" will be made exempt from the income tax within the first two years of operating.

Karimov Decree on Supporting Enterprises

LD0801131395 Tashkent NARODNOYE SLOVO in Russian 6 Jan 95 p2

[Decree by President Islam Karimov, issued in Tashkent on 5 January 1995]

[FBIS Translated Text] In order to ensure the broad involvement of the republic's population in the sphere of enterprise and the qualitative rise in the role of private business in the production sphere and services:

1. The Council of Ministers of the [autonomous] Republic of Karakalpakstan, heads of administrations of the regions and Tashkent, ministries and departments, corporations, concerns, associations, and other organizations of the republic shall in their everyday activities:

—Strictly ensure the full equality of entrepreneurs and state owned enterprises in access to material, technical, information, and personnel resources;

—Not allow interference in the operational management and economic-commercial activities of entrepreneurs except in cases envisaged by law;

—Proceed from the principle of mutual responsibilities of managing bodies and entrepreneurs in economic relations, with compensation for losses and lost profits incurred through the fault of one of the parties.

The Prosecutor's Office and the Justice Ministry of the Republic of Uzbekistan shall ensure control over the

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strict implementation of laws and decrees passed on the observance of the rights of entrepreneurs and private property owners. They shall take urgent measures for their immediate fulfillment and to prevent violations.

2. It is established that the state registration of private enterprises will be carried out in accordance with established procedures within three days from the date of submission to their local administration of the documents required by law.

Responsibility for the organization of the registration of enterprises rests with the heads of territorial administrations of the State Property Committee of the Republic of Uzbekistan, who are in status, respectively, the deputy chairman of the Council of Ministers of the Republic of Karakalpakstan, and deputy heads of administrations of the regions and Tashkent; the relevant departments and services of local administrations are subordinate to them.

3. In 1995 the State Property Committee of the Republic of Uzbekistan shall hand over 50 percent of the monies received from privatizing state property intended for reconstruction, technical re-equipment, and the support of enterprise to the Fund of Assistance in the Development of Small and Medium Business.

These monies shall be directed to support entrepreneurs, first and foremost through taking a shared part in implementing projects, granting credits, and also giving guarantees on credits from commercial banks.

4. Private enterprises which produce and process agricultural products, or produce consumer goods, industrial and technical products, and building materials, as well as enterprises carrying out construction activities and providing repair, domestic, and communal services are exempted from paying tax on income (profits) during the first two years after registration.

5. It is established that the tax base when estimating the tax on the income (profits) of private enterprises will be decreased by the amount spent on expanding, reconstructing, and technically equipping production.

6. The existing restrictions on the number of people hired by private enterprises are abolished.

7. Economic courts are allowed to accept suits from private entrepreneurs without payment of an advance fee, with its subsequent recovery without argument after the court decision.

8. In order practically to reinforce the material and technical foundation of developing private enterprise, the State Property Committee, in conjunction with the Council of Ministers of Karakalpakstan, the heads of regions and of the city of Tashkent, corporations, concerns, and associations shall more widely practice the following:

—Lease unused industrial premises in accordance with established procedures to private enterprises to establish the production of goods, trade, and render services;

—Sell uncompleted industrial projects and unused equipment at auctions and tenders.

9. The Council of Ministers of the Republic of Karakalpakstan, the heads of regions and of the city of Tashkent, the State Property Committee of the Republic of Uzbekistan, the Uzbek Trade Association [Uzbeksavdo] the Uzbek Association [Uzbekbirlashuv], and the Uzbek Foreign Trade Association [Uzzagottorg] shall:

—Organize in the first quarter of 1995 ongoing wholesale specialized markets to purchase agricultural and industrial goods from farmers and private entrepreneurs;

—Help organize and utilize unused premises for storehouses and warehouses for entrepreneurs' finished goods.

10. The Uzbek Wholesale Stock Sale Association [Uzoptbirzhatorg], the Uzbek Light Industry State Association [Uzbeklegprom], the Local Industry State Corporation [Makhalli Sanoat], the Uzbek Association, and Uzbek Agriculture Supply and Repair [Uzselkhozsnabremont] shall create:

—Wholesale and intermediary structures to supply entrepreneurs and goods producers with local materials and raw materials;

—Commercial centers and trading houses, which will collect orders, purchase, sort, store, and bring materials and raw materials to the required condition and sell them at the request of entrepreneurs.

11. Mirabror Usmanov, deputy prime minister of the Republic of Uzbekistan, will help entrepreneurs to set up supermarkets in the republic's major cities.

12. The Council of Ministers of Karakalpakstan and the heads of regions and the city of Tashkent are permitted to sell as private property housing, together with the land on which it is situated, to foreign legal and natural persons who are in the diplomatic corps, to press representatives accredited in the Republic of Uzbekistan, to members of permanent offices of firms, companies, and international organizations, to people working on a permanent basis in joint ventures, and also to people who reside permanently in the republic and hold a residential permit.

13. The Ministry of Finance, the State Property Committee, and the Ministry of Justice of the Republic of Uzbekistan, together with involved ministries and departments, shall establish within 10 days a standing republican commission on securities.

14. A proposal by the Union of Entrepreneurs and the Assistance Fund for the Development of Small and Medium Business that annual competitions be held for private entrepreneurs and that the winners, export-oriented companies, be presented at international exhibitions and fairs is accepted.

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15. The Ministry of Higher and Secondary Specialized Education, in conjunction with the State Property Committee, shall work out within a month a system of measures to expand the network of training and retraining courses for specialists in market relations.

16. Before the end of the first quarter the mayor of Tashkent shall allocate premises to the Republican Stock Exchange and the Republican Real Estate Exchange to provide normal conditions for their operations.

17. The Uzbek Television and Radio Corporation and the editorial offices of newspapers and magazines shall publicize the work experience of private entrepreneurs and, using specific examples, show the vast possibilities that exist for overcoming the parasitic psychology and on this basis ensure both one's own material welfare and also benefit others.

18. The Cabinet of Ministers shall adopt within 10 days a resolution on implementing this decree.

[signed] Islam Karimov, president of the Republic of Uzbekistan.

[dated] Tashkent, 5 January 1995.

Karimov Critical of Navoi Leaders

LD0701133195 Tashkent NARODNOYE SLOVO in Russian 6 Jan 95 p 1

[FBIS Translated Excerpt] As has been reported, the first session of the Navoi Region Council of People's Deputies took place on 4 January. Islam Karimov, president of Uzbekistan, addressed the session's participants.

The president congratulated the newly elected people's deputies of the regional council on winning the great confidence of the voters.

The working people of independent Uzbekistan by their tireless work are creating the country's future and thus determining its and therefore their own fate, Islam Karimov said. Although it is not very long since our sovereignty was declared, very great social, political, and economic transformations have taken place in the lives of the people and the state. We have achieved considerable success in building a law-based democratic state, in accelerating the transition to market relations, and in building a new society, and we are continuing to follow our own chosen path.

Today we can say with full responsibility that over a short period we have laid a strong foundation for consolidating our state's independence.

Convincing evidence of this are the Constitution which has been adopted and the country's present laws, decrees, and resolutions, which meet international legal norms. The first multiparty elections to the Supreme Council of the republic and to the regional councils, which took place on 25 December last year, contributed to raising the international prestige of our independent state.

I am confident, the president stressed, that our work on creating the foundation for our future will very soon show in the improvement of people's living conditions and strengthened social security for them.

Then Islam Karimov dwelled on the importance of Navoi Region for the Uzbekistan economy. [passage omitted]

The question arises as to why motivation and determination have declined in the region. Why have apathy, carefree calm, and indifference toward resolving pressing tasks appeared in the regional leadership's attitude of mind? Is it not their first duty to mobilize people and unite their efforts in the name of the common main goal, to know the concerns and aspirations of working people and everybody living in the region, and to strive to improve their living conditions? Unfortunately today's situation shows that the Navoi leadership is far from being concerned about such things. [passage omitted]

Presidential decrees and government resolutions on providing the population with drinking water and natural gas are being implemented extremely badly in the region. In his speech the head of state discussed these issues as well.

If the heads of regions and districts fulfilled their duties conscientiously, the provision of gas supplies to Nuratinskiy, Kanimekhskiy, and Navbakhorskiy districts would not today still be at the level of 5-10 percent and the provision of drinking water to the Kiziltepinskiy, Navbakhorskiy, Navoiyskiy, and Nuratinskiy districts at the level of 10-35 percent. Does a man who cannot ensure social security for people, who does not observe decrees and resolutions on improving the population living conditions, and who does not take care of the people's needs and concerns deserve the rank of leader? [passage omitted]

You know what difficult times we are living in, the president said, and what shortages our people are suffering from today. But if industrial productivity is not increasing, agriculture is not developing, grain production is not growing, and the total number of livestock is decreasing, how can we overcome these difficulties and improve people's lives?

Farmers are forced to stop their activities because of the leaders' careless and indifferent attitudes toward them and the lack of material and moral support. [passage omitted]

Why has this situation arisen? The main reason here is that the leaders themselves have not understood the essence of the reforms yet. If they do not understand it, how can they explain to people the meaning of owning property or land?

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The change of forms of ownership and the reorganization of farms into collectives, cooperatives, and leased farms in the region are being carried out "formally" and being done just to receive good marks. Management is still being conducted in the old fashion. There is still the same number of people working in the administrative apparatus—80-100—as there used to be. The leaders' conciliatory attitude toward this is creating an alarming situation, Islam Karimov stressed.

Internal contracts between the farms on the production of food have not been concluded yet, farmers have not been allocated land on long-term leases, and the other main means of production have not been transferred to their ownership. Many people still do not have the slightest idea that they are owners of property. No one is teaching them to deal with their incomes independently or to count and use their share in the common profits.

Leaders who have still not grasped the essence of relations in a market economy are still applying to republican departments for state aid. But it would not be bad if everyone understood—and it is time to do it—that the old times will not return. Those who miss that period and dream of is return should rather leave their offices for others. [passage omitted]

When the region's leaders are asked why the regional budget is not receiving enough money, why people are not paid their salaries in time, they are ready to say that there is no market here, there are few goods on sale, and that people go to other cities to shop...

But who will bring goods in if we ourselves are sitting around doing nothing? Why are there insufficient deliveries of goods to the privatized trading network? Why are new private shops and market places not being constructed? Or are there no enterprising people in Navoi? No, things are somewhat different. To see this it was enough to listen to the opinions of entrepreneurs who took part in the work of the recent interdepartmental meeting with the president. Why can the work they are doing not be done in Navoi? How long will parasitism exist? [passage omitted]

Some leaders place their own interests above the public interest and act improperly and dishonestly. As a result a number of branches of the economy have firmly occupied a place among those that are behind in development and in the implementation of decrees and resolutions and are neglected. The social and political situation in the region has worsened, Karimov said.

Concluding his speech, the president expressed his confidence that the working people of Navoi Region, the overwhelming majority of whom are worthy citizens and honest, generous, and selfless people, irrespective of the position they occupy and ethnic origin, will live and work hand in hand in the name of our country's and our people's prosperity. Making a worthy contribution to our republic's progress must be the call of the heart of everyone living in Uzbekistan, he said. [passage omitted]

Karimov Presidency Viewed

LD0501123095 Tashkent NARODNOYE SLOVO in Russian 29 Dec 94 p 1-2

[Article by Ahmad Hoja, Uzbek Information Agency: "Our dear homeland belongs to us all"]

[FBIS Translated Excerpt] Three years have passed since Islam Karimov was elected president of the Republic of Uzbekistan in a nationwide, multi-candidate election. Three years is a very short time in history. However, the immense changes that have taken place in that time are obvious to the people who live in Uzbekistan. It would now seem appropriate to analyze the path that has been covered over this period.

The situation during the months preceding that memorable election was extremely difficult across the whole territory of the former Soviet Union. The great empire had collapsed and millions of people were trying to find out what would come next.

As far as Uzbekistan was concerned, it had not yet recovered completely after the Fergana, Osh, and Parkent tragedies and its economy was experiencing the most difficult consequences from the cotton monoculture and a lopsided colonial economy that was oriented toward producing raw materials. Almost 70 percent of all the industrial goods and food products needed by the people, including grain, was imported. In short, we had more than enough problems.

The situation was aggravated by the fact that although Uzbekistan, as an allied republic of the former Soviet Union, was considered a sovereign state, this was in fact only a nominal status, and as a result the ancient traditions of statehood had been lost.

Under these difficult conditions, when disorder, anarchy, and uncertainty were reigning across the whole territory of the former Soviet Union, Islam Karimov became the country's first president, elected in a nationwide ballot.

History placed on his shoulders the enormously difficult task of arousing hope for the future in people's hearts, defining the nature of the independent state, and choosing its path toward progress and economic prosperity.

First and foremost, the president set a specific objective: Uzbekistan must become a genuinely sovereign, democratic and law-governed state. [passage omitted]

So the reins of government were not lost, as they were in certain republics. This made it possible to carry out political transformations calmly, without dividing people into "them" and "us" or arousing unnecessary confrontation in society.

The next important task was for the nation, after many years of being deprived of its history, religion, and national values, to realize that it was the fully legitimate

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successor to its great ancestors and to regain its feeling of pride and national dignity and its self-belief.

To this end, the sacred image of the glorious Amir Timur the Conqueror [Tamerlaine] was restored to a position of truth and justice. A magnificent monument to him was erected in the center of the capital. Despite the tendentious assertions of Soviet ideology, he was in fact the founder of a great centralized state in which the principle of justice was paramount.

A number of international conferences devoted to great Islamic scientists such as Imam Bukhari [medieval Islamic thinker], Bahauddin Naqshbandi [founder of a Sufi order], Muhammad ibn Ali Al-Termezi [9th century Sufi thinker], and others were held and their anniversaries celebrated. [passage omitted]

It was not by chance that we have mentioned above that the choice of path was a historic task. The people expressed their trust in Islam Karimov, elected him president of this great country, and entrusted him with their destiny and empowered him to manage things on their behalf. Is there any greater responsibility in the world? A leader granted this authority cannot afford to make mistakes.

Bearing this truth in mind, in his work to restructure the economy and achieve economic independence for the republic, Islam Karimov outlined an individual and appropriate path of development for Uzbekistan to attain economic independence, a path that takes the mentality and historical and national characteristics of our people into account. He developed five basic principles relating to the transfer to a market economy. We can see and feel the implementation and results of these in our daily lives. [passage omitted]

This year, about 4 million tonnes of cotton have been produced in the republic. For the first time in the history of Uzbekistan, about 2 million tonnes of grain has been grown. Today, farmers face the task of achieving complete self-sufficiency in grain for the republic in two or three years. This is of political as well as economic significance. [passage omitted]

In the early 1990's, about 4 million tonnes of oil were delivered to the republic in return for cotton. This amount is being reduced in a planned manner. In future, it is planned that only 750,000 tonnes of crude oil will be purchased. [passage omitted]

Until the peasant feels that he is the true owner of the land, he will not put heart and soul into his work. The presidential decree under which a citizen can buy a plot of land at auction for long-term use and pass it on through inheritance was adopted with such circumstances in mind. [passage omitted]

The demand for cotton, our most valuable raw material, is growing on the world market. We have many other riches which are always in demand: polymetals, uranium, minerals, karakul pelts and natural silk.

Of course, we could have used the funds from this to ship in trainloads of goods from abroad and fill the shelves of shops, as other republics did. But one should not think only about the benefits of the moment. One should not sell off the natural riches of the homeland and thus deprive subsequent generations. No wealth is infinite. It is not for nothing that they say that one can eat one's way through any store while sitting idle.

We spend these funds on reequipping enterprises, improving the land, developing the Mingbulak and Kokdumalak oilfields, and building large industrial sites, such as those in Asaka, Dustlik, and Bukhara. In other words, a solid foundation for the economy is being created, and our people are living and working for the great future of Uzbekistan.

It would be no exaggeration to say that the disintegration of the great Soviet empire was one of the most important political events of the century. It made major changes to the map of the world. A number of new independent states appeared in Europe and Asia.

It is only natural that each country seeks to find friends on the international arena and to gain authority. For no state can exist in isolation, all by itself. [passage omitted]

As has been stated above, we have set ourselves the task of building an independent, democratic, and law-based state, where the slogan of our great ancestor Amir Timur—"justice does not lie in strength; strength lies in justice"—will be made a reality.

The first step taken along this path was the adoption of our constitution, which is a legal foundation for our society and state. [passage omitted]

It is sometimes bewildering when certain political scientists and representatives of the press start talking tendentiously about observing democracy and human rights when they are in conversation with the president. Why play tricks? What is democracy? In our view, the basic condition for democracy is that all are subject to the constitution and to the laws adopted in the country by the will of the people, and that the law is unreservedly paramount in all the spheres of life. Everybody can ascertain for himself to what extent this principle is observed in our daily life.

Or take the human rights issue. The supreme right is the right to life. Are the president's activities not directed toward securing this right for every citizen? When it is said that no democracy is worth the blood of an innocent child, this is in no way an encroachment on democracy, but rather concern for the individual. Besides, it is known that we guarantee equal rights and freedom for all, regardless of ethnic origin, language, confession, or convictions! The whole world can see this truth.

As a general rule, everything in life is difficult. At first there were people who doubted the path chosen by the president, and even his five principles which are now famous. Time is the fairest judge, and people have been

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able to sort the wheat from the chaff. The remark made by Belarus President Alyasandr Lukashenka during his recent visit to Uzbekistan must surely be indicative of this: "We will follow the path taken by Uzbekistan in implementing reforms in our country."

There are some people who describe an exacting attitude as cruelty and resolve as dictatorship. Reality shows us that when the authority of the state weakens, various "little authorities" take shape in the vacuum. A struggle for supremacy then starts. We can see from the experience of our near neighbors what consequences this can lead to. "If we too had had a resolute and energetic leader, we might not have had our misfortunes," a letter from one Mannon Atlasov which was broadcast by Radio Liberty said. No further comment is needed.

Islam Karimov has said that our dear homeland belongs to us all. For everyone who lives in this sacred land, the greatest happiness is to live, strive, and if necessary lay down his life for the happiness of the country and for the radiant future.

The first stage of implementing reforms in the country has been completed. The foundations of the great future of Uzbekistan have been laid and the preconditions for economic progress and prosperity created.

This has been achieved under the leadership of President Islam Karimov, who was elected by the people. And our people are courageously enduring the temporary difficulties of the transition period in the belief that the day is close when every family and every person in our land will be sufficiently provided for and will attain as high a standard of living as that in the developed countries.

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Armenia

Ter-Petrosyan's 28 Dec Speech on ARF, Part III

NC0501195495 Yerevan Radio Yerevan International Service in Armenian 2045 GMT 4 Jan 95

["Third and last part" of a rebroadcast of an address by President Levon Ter-Petrosyan in Yerevan, first carried on Yerevan television on 28 December—recorded]

[FBIS Translated Text] There are more reports like the ones on the murder mentioned above. In this case, the surveillance lasted longer; for almost two months. Occasionally, the commander has made recommendations on the reports. Here you can see the observations of the commander on specific reports. Here he is demanding additional information. Again, the victim's residential district is mapped out. Vagharshan Street, and so on, building No. 54.

A month before the murder, the criminals managed to infiltrate the house of the victims and sketched the layout of the residence. Here, you can see the entrance, anteroom, bedroom on the left, opposite to it the dining room, on the right the kitchen, and so on.

Again, as was the case in the previous incident, the last report, which has found its way into the computer, comments on the conclusion of the operation. The operation is called 02 Operation. Here is the last phase of 02 Operation. It is very interesting and I would like to read the entire text: The participants in the operation are AAA, that is, three fighters. Inside Neva [Russian-made car]. This is a coded message. Then comes the word reserve, which is again a code name. In the evening we telephoned Kerob's house. Kerob is a code name. No one picked the telephone up. The boys assumed that the residents detached the telephone line, probably thinking that everything was calm. Being convinced that the target was inside the house, it was decided to carry out the operation. At 1235 at night all the participants in the operation had taken their place in the theater of the operation. The plate number of the Neva being used was covered by other plate numbers prepared from cardboard. The door was knocked on at 1240. Kerob replied from inside. The boys told him: We have business to settle with you and we have come to settle it. Upon which Kerob's wife half opened the door. The boys again said that they had business to settle with him, and telling her that although you do not recognize us we know you, they pushed the door open and went inside. They told Kerob that it was inappropriate to settle the problems here at this hour before the other members of the family. They proposed to go downstairs and talk, and so on.

Then a conversation took place in the anteroom. The talks continued until 0300, that is, for some 1.5 hours. During this time Kerob smoked hashish and received the first blow with the handle of a handgun. He then screamed in great terror: What have I done? I have not done anything harmful to you. At that moment his wife came out and said in great fright: What are you doing? The boys started firing. Three handguns were used. Kerob received two or three bullets in the head and so did his wife. The remaining bullets hit various parts of the targets. A total of 12 bullets were used. The baby's cry was then heard. The boys fled without being noticed by the neighbors. After coming out of the house, one of the fighters held the handle of the entrance door. Then the boys entered the Neva, which left the scene without lights on.

According to results of the investigation so far, six persons took part in the organization and execution of the murder of Gagik Sahakyan, as well as in the surveillance work prior to the murder. Ten persons took part in the killing of the husband and wife. Seven of the suspects have now been detained. The course of the investigation and study of the seized archive give a strong indication that the murder of Marius Yuzbashyan, the former head of the Armenian State Security Committee, and of former Yerevan mayor Hambardzum Galustyan are linked to the same criminal group.

In addition to these murders, there is also evidence in the documents that this criminal group was planning, even started some surveillance work, to commit other acts of terror. Again, for the sake of ongoing investigation work, I cannot reveal all the names. But since there has already been some talk about it, I can state that plans were actually made to assassinate Albert Baghdasaryan [a parliamentarian] and Vano Siradeghyan [interior minister], and a number of other persons whose names we will announce later.

What then does the entire thing reveal? It reveals that with the decision of the ARF Bureau, a group of members have engaged in a secret operation. This group received a general order from the bureau. But, afterwards, this group ceased to be accountable to the bureau or the party. That is, it provided no information to them on its operations and financial affairs. Thus, that party, starting from the bureau, was split into two branches: one secret and the other the official structure. I am convinced, and this is shown by this archive, that 90 percent of the party is unaware of the existence of this secret structure within the ARF. But this same secret structure has always been the essence of the ARF. Everything else—the formal offices, central committees, party publications, sister organizations, and so on—has simply been a smokescreen to hide the activities of this secret organization under sham ideologies.

I do not think that any state could tolerate such an organization inside its body politic. In general, the existence of a secret organization under democratic conditions is simply absurd, unless of course that secret organization is not pursuing criminal objectives. There is no room for a secret organization in Armenia. If thus far we have not yet been able to prevent such phenomena because of legislative imperfection, I think that the time has come to enshrine in our Constitution the provision

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that the operation of secret organizations in Armenia is prohibited and that even the simple act of enrollment in such an organization is punishable as a felony.

Taking all these things into consideration, I have today signed a decree that I now bring to your attention.

The Armenian Republic president's decree on the temporary suspension of the activity of the ARF public-political organization:

Considering that a secret intelligence service with a military structure and ramified network has been established and is operating within the ARF public-political organization;

That this service has been engaged in military and economic intelligence work in Armenia relating to the republic's national security;

That it has participated in conceiving and using the international narcotics business route between Beirut, Yerevan, and Moscow with links to other countries [word as heard];

That it has established unlawful economic structures and has engaged in racketeering;

That it has formed militia groups through which it has carried out political murders now brought to light and has planned a number of other acts of terror;

That it has used the legal structures of the ARF and its sister organizations Hamazgayin [Pannational] Armenian Educational and Cultural Society, Armenian Aid Cross, Nikol Aghbalian Students' Organization, and the General Union of Armenian Sportsmen for its underground activities;

That this secret service has been set up by the ARF's supreme organ, the Bureau, and has functioned with the knowledge of the ARF's Central Committee in Armenia.

I hereby temporarily suspend the activity of the ARF public-political organization until the problem is solved in due legal manner to prevent possible future unlawful activities of the aforementioned service and to ensure the security of the citizens of the Armenian Republic.

Naturally, the decree does not effect the status of the ARF's group in the parliament. The continuation of this group's activity, or its dissolution, comes under the jurisdiction of the Supreme Council.

The decree also does not extend over rank and file ARF members, or even over a substantial part of the leading party officials who,I am fully convinced, were completely unaware of the existence of a secret service within the party structure. The bureau faction has simply exploited their noble patriotic feelings over the years and acting under the smokescreen of the party's official structures and of lofty national ideologies, has pursued its secret criminal activity. Thus, the ARF itself became the first victim of the mafia lead by [Hrayr] Marukhyan [one of the current ARF leaders who was expelled from Armenia last year]. Now, it remains for the healthy rank and file members to draw the appropriate conclusions and make revisions. I have no doubts that the party, which has the experience of 100-year national liberation struggle and political activity, will find the honorable way out of the crisis. This is not a mere party but essentially a national issue. This is because the decentralized structure of the ARF, which was established with the endeavor of great patriots, is truly a national wealth and if used correctly could actually help in strengthening and flourishing both the fatherland and the diaspora.

Finally, I consider it my duty to express my thanks, in the name of the Armenian people, to the entire staff of the State Directorate for National Security of the Armenian Republic for the professionalism and dynamism it displayed in uncovering the aforementioned dangerous terrorist organization.

Political Parties Support Decree on Banning Party

LD0601181095 Tbilisi IPRINDA in Russian 1430 GMT 6 Jan 95

[FBIS Translated Text] Yerevan [no date as received]—A number of the republic's political parties have made a statement pertaining to Armenian President Levon Ter-Petrosyan's decree suspending the activities of the Dashnaktsutyun socio-political organization. "Condemning terrorism in general and in political life in particular we declare that the president's decree is an important step toward ensuring national security, strengthening the state, establishing law in the country, and creating a civic society, and we are determined to strengthen the sovereignty of the Armenian people and the Armenian state and to create a civic society," the statement says.

Security Chief on Steps Against Opposition

LD0601210395 Moscow ITAR-TASS in English 1908 GMT 6 Jan 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan January 6 TASS—Armenian national security bodies will not allow anarchy, terror, secret organisations and drug trafficking in the republic, head of the national security department David Shakhnazaryan said in a televised address on Thursday [5 January] evening. His speech was devoted to measures taken by the authorities against the opposition party "Dashnaktsutyun", in compliance with a presidential decree issued on December 28.

The essence of this party was the presence of a secret service which was involved in gathering political, economic and military information in Armenia, and serious intelligence activities against the Russian Army deployed in the republic and the Trans-Caucasia, Shakhnazaryan said.

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According to Shakhnazaryan, the other spheres of activities of the Dashnak secret service included international drug trafficking and political murders. The five-six thousand pages archive includes materials uncovered during a search carried out with the help of the Russian counter-espionage service in a secret flat in Moscow, testified to this fact, he said. These documents testified to the fact that international drug trafficking was one of the means of replenishing the coffers of the party "Dashnaktsutyun", the chief added.

Dashnaks used forms of work characteristic to all intelligence services of the world, Shakhnazaryan emphasised. "God alone knows, secret services of which countries had their influence on the Dashnak party," he said.

The head of the Armenian security department described the presidential decree temporarily banning activities of the Dashnak party as right and timely. It was a vital necessity, Shakhnazaryan said. According to him, it was necessary to put an end to terror and political murders in the country. These actions pursued the only objective of creating a situation of anarchy, political instability in Armenia, push it to the limit and undermine it. At the same time, the presidential decree's implementation is limited by a decision of the court, whose ruling the security department chief would like to be public and open like the investigation process.

The head of the Armenian national security department rejected the possibility of restoring political detection in the republic. In Armenia it is not done and cannot be done, like victimisation of political prisoners with political motives, Shakhnazaryan said.

Georgia

Iran Said Interested in Allied Relations

LD0701171395 Moscow INTERFAX in English 1410 GMT 7 Jan 95

[FBIS Transcribed Text] Tbilisi, Jan 7 (INTERFAX)—Official Tehran wants to see Georgia as its ally, the Speaker of Georgia's parliament Vakhtang Goguadze said on Friday [6 January] upon his return from Iran.

According to him, Georgia and Iran have reached considerable progress in developing interparliamentary ties. "In view of developments in Chechnya the visit to Tehran by Georgia's parliamentary delegation was of great political importance," Goguadze said.

"Iran's political circles met Eduard Shevardnadze's statement in support of the Russian authorities' activity in Chechnya with dissatisfaction," he noted. "At our meeting with President 'Ali Akbar Hashemi-Rafsanjani we explained the stand taken by Georgia and its leader: The developments in Chechnya, where Russians and Chechens are dying, are a tragedy. We also told him that Georgia had received about 500 refugees from Chechnya, that we are giving them aid. All this had its effect," Goguadze said.

On its way to Tbilisi his delegation made a brief stop in Baku, where President Geydar Aliyev received it. "The Azeri leadership promised to give us comprehensive aid," he noted.

Shevardnadze, Russian Minister Discuss Cultural Agreement

LD0601125895 Tbilisi IPRINDA in Russian 1005 GMT 6 Jan 95

[FBIS Translated Text] Tbilisi (IPRINDA)—The press service of the head of state reports that chairman of the Georgian parliament Eduard Shevardnadze received Russian Culture Minister Yevgeniy Sidorov on 6 January. The aim of the delegation's visit is to prepare an agreement between Georgia and Russia on cooperation and development in the cultural sphere, which—according to the head of state—is of a great importance for both countries. It is desirable to develop a working plan between the Georgian and Russian Ministries of Culture after signing the agreement.

Shevardnadze on Abkhazia, EU Aid, Chechnya

BR0601161195 Esch-sur-Alzette TAGEBLATT in French 4 Jan 95 p 7

[Interview with President Eduard Shevardnadze by Alfonso Artico in Tbilisi; date not given: "Eduard Shevardnadze's Political Vision"—first paragraph is TAGEBLATT introduction]

[FBIS Translated Text] Smart as a Sioux at avoiding questions, at the art of saying without saying and speaking without saying anything, Mr. Shevardnadze is shrewd in interviews. His relations with the members of his government are sometimes strained. Diplomats and officials of humanitarian organizations in Tbilisi concur that incompetence is practically the only quality of most of the men now in power. Shevardnadze often stresses the general corruption which is eating away at every level of the country's government. Gorbachev's former diplomatic head offers his version of events.

[Artico] What conclusions can you draw from your two years in power? (see footnote 1)

[Shevardnadze] It is very difficult to build a nation of law on the ruins of a fallen empire. It is almost a hell, not only for the head of state but for the population as well.

[Artico] In a earlier interview (see footnote 2), you said that you were desperate regarding the events in Abkhazia. Are you still?

[Shevardnadze] You are perfectly correct, it is a personal tragedy.

[Artico] Could you say a bit more about it?

[Shevardnadze] If Sukhumi had fallen, I would have decided to resign.

[Artico] Sukhumi fell and you did not resign.

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[Shevardnadze] When I returned from Sukhumi I genuinely felt like resigning. I stayed in power because the people wanted me to; I did not think that after the events in Abkhazia the people would give me their confidence. I was welcomed with a particularly strong love, support and solidarity. It is then that I realized that not all was lost, that some hope remains.

[Artico] Negotiations are under way on Baku's oil. There will be a huge economic impact on the three republics of the Caucasus. Could this oil forge a certain realism and force yesterday's enemies to negotiate, like water did in the Middle East? (see footnote 3)

[Shevardnadze] I do not want to say that the oil will play this role, but the Transcaucasus has the same strategic and political interests as we do. The conflicts are temporary. The oil can be one of the factors for peace.

[Artico] We have travelled throughout the country and were stopped a dozen times. Each time, the police demanded dollars. Insecurity reigns. Do you have the means to restore security?

[Shevardnadze] A year ago, the situation was not even comparable. It was impossible to travel, especially at night in the streets of the capital. Do not forget that the civil war ended only a year ago. I think that before long we will be able to restore order on our roads. I am now handling this question with the persons concerned.

[Artico] The European Union has launched a major program of aid to the Transcaucasus, consisting of 600,000 tons of food which will arrive over nine months in the three republics. There have already been clear attempts to divert part of this aid.

[Shevardnadze] What quantities did you say? (Somewhat surprised)

[Artico] Six hundred thousand tons.

[Shevardnadze] I am perfectly aware of what is happening in the aid area. However, it must not be forgotten that this is something new for us, we have no experience in this area. Of course I know that the humanitarian aid is diverted. But within a month, we believe we will be able to end it or minimize the losses. We will use all available means. Those guilty will be brought to justice. Parliament will also examine this question.

[Artico] By an indiscretion, we know that an American company owns 66 percent of the Georgian Railway Company. The transport is paid for directly into an account in New York. The money does not even go through Georgia. Organized crime receives three dollars per ton transported. What do you know about these operations?

[Shevardnadze] As to the transit of goods in Georgia, that is the state's private business. But you are right, there could be some other companies which are involved in it.

[Artico] Are you thinking of privatizing Georgian commercial companies to the maximum?

[Shevardnadze] That has already begun.

[Artico] Will there be state participation or will it be done "in the European manner"?

[Shevardnadze] As to the state's participation, this process must simply be organized. For the distribution of shares, there are areas where the state is considering intervening; for other companies, on the other hand, 100 percent of the shares will be privatized.

[Artico] Regarding domestic politics, tell us about the assassination of Mr. Chanturia. (see footnote 4)

[Shevardnadze] I have already said that this was an inadmissible and unacceptable act of terrorism. Everything proves it. I believe that it is a great loss for Georgia.

[Artico] This assassination, like many of the conversations we have had, proves that you are a lone man. This is not a question of the solitude of power, but of the determination to complete the democratization of Georgia.

[Shevardnadze] It is not like that. In Georgia, there are many forces which genuinely want to build a nation of law, a democratic Georgia. Including the majority of the Georgian population. But if the economic crisis grows worse, the democratization process risks being compromised. Everything depends on the economic sphere.

[Artico] Let us return to regional issues, please. In view of the internal divisions within each republic as well as those among them, can it be said that Russia is reaping the benefits? Divide to better conquer...

[Shevardnadze] I do not believe that Russia is interested in a weakened Transcaucasus, one almost dead, because this weakness could lead to a major destabilization of the region and will have consequences reaching to Russia.

[Artico] Chechnya is in revolt: 40,000 Russian soldiers have been sent to Groznyy. What is the immediate danger for Georgia?

[Shevardnadze] Everything depends on the evolution of events. If Russia succeeds in gaining control of the situation, there will be no risk of it getting worse.

[Artico] What do you think of the "silence," the caution, of the West regarding the Russian military operation in Chechnya?

[Shevardnadze] It is not quite silence. At any rate, the majority of the independent states support Russia's desire to preserve its territorial integrity. It must not be forgotten that the dismemberment of Russia, if it is allowed, can provoke destabilization in Europe.

[Artico] Adzharia, Ossetia and Abkhazia are three thorns in Georgia's foot. Europe has not budged for any of these serious events...

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[Shevardnadze] Georgia is a separate country. Moreover, Russia is acting within its national territory. I repeat, I am convinced that one must not intervene in the internal affairs of states; that could have adverse consequences.

[Artico] Thus, for Georgia, the sun no longer rises in the North?

[Shevardnadze] I have never denied this sentence. The future will demonstrate it.

[Artico] So you remain very optimistic?

[Shevardnadze] When the threat of Georgia's physical disappearance occurred in the past, it was the North, Russia, which helped us. (see footnote 5)

[Artico] During a meeting at the port of Poti, we noticed that the different administrations (port authority, railways, customs...) work without cooperation. Added to the severe economic crisis, these divisions give the painful impression of an absence of governmental structures. In the long run, does this presage a certain breakup of Georgia?

[Shevardnadze] You know, this may seem a bit disorganized, but I know that this type of behavior is also found in other countries of the world. There is always a certain confrontation. Georgia needs time to correct this.

[Artico] It is thus a transition period?

[Shevardnadze] Exactly.

[Artico] Could you estimate how long this will last?

[Shevardnadze] In my opinion, two or three years.

[Artico] What enables you to be so precise?

[Shevardnadze] The analysis of Georgia's factors of development, internal and external affairs, and especially the time necessary to settle the conflict. (see footnote 6)

[Artico] However, 100 percent of the bread consumed in Georgia today is produced thanks to wheat from food aid. From such a difficult situation, how do you arrive at the conclusion that this will be positive in three years? Is it because, having touched the bottom of the pool, Georgia can only rise to the surface?

[Shevardnadze] It is because of these two or three years which Georgia needs to get back on its feet. We will use our internal resources and restart our traditional crops. (see footnote 7) Russia, Ukraine and Kazakhstan are interested in some of our products. We want to redevelop the (economic) relations severed for several years. This problem began when these relations stopped.

[Artico] What message would you like to send to the European Union?

[Shevardnadze] First, I would like to thank the European Union for its support. I hope that our cooperation will develop, not only in the area of humanitarian aid but also in the framework of direct investment in our economy. I believe that this is in everyone's interest.

[Artico] What investment?

[Shevardnadze] In various sectors of the Georgian economy, such as energy. Georgia has immense water resources. It has the cheapest energy.

[Artico] When Jason arrived in Colchis with the Argonauts, he had come to find the Golden Fleece. Is the most important thing for you to search for it or to find it?

[Shevardnadze] They have not returned the Golden Fleece which they took. (Laughter) They also took fire. That is the second debt.

[Artico] Could you be compared with Prometheus?

[Shevardnadze] What I am doing is much more difficult...

Bibliographic notes: In December 1991, Eduard Shevardnadze resigned as foreign minister of the former USSR in protest against the "advance of the dictatorship." On 10 March 1992, having returned to Tbilisi on the 7th to "contribute to the economic and political recovery of the republic" where he was born, he was elected president of the State Council.

Footnotes:

(1) As of March 1992.

(2) L'EXPRESS No. 2239 of June 1994.

(3) Reference to the Nagorno-Karabakh war.

(4) Former president of the National Democratic Party (opposition). Assassinated Saturday, 3 December while leaving his home. His wife, Irina Sarishvili, herself former deputy prime minister, was hit by five bullets while coming to his aid. She was slated to be the future prime minister, replacing the current head of government, Mr. Atom Patsiatsia.

(5) Reference to the numerous aggressions in Georgia's history.

(6) Abkhazia.

(7) Basically tea and citrus fruit, but mineral water also remains to be exploited, as well as tourism.

Russian Parliament Official Visits Abkhazia

LD0601124895 Moscow ITAR-TASS in English 1125 GMT 6 Jan 95

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Transcribed Text] Sochi January 6 TASS—Deputy chairman of the Russian parliament's upper house Ramazan Abdulatipov today arrived from Mineralnye Vody to Sochi and proceeded directly to Abkhazia via the border post "Psou".

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His objective is to check personally on reports that there bases on Abkhaz territory which train militants for fighting on Dudayev's side in Chechnya.

Abdulatipov left Moscow on Wednesday but because of bad weather his plane had to make a stopover at the Mineralnye Vody airport in southern Russia.

According to Abkhazia's Information and Press Ministry, Abdulatipov is also planning to discuss the extension of the mandate given earlier to Russian peacekeepers in the zone of the Georgian-Abkhazian conflict.

Sources in the government of Abkhazia expect Ramazan Abdulatipov to tour the republic, meet representatives of the peacekeeping forces in the conflict zone and visit the Kodor canyon.

Abdulatipov will probably attend the exchange of prisoners and hostages between the Georgian and Abkhaz sides scheduled for today.

Abkhaz Supreme Council Appeals For Disarming of Separatists

LD0601125495 Tbilisi IPRINDA in Russian 1005 GMT 6 Jan 95

[FBIS Translated Text] Tbilisi (IPRINDA)—On 6 January, the Supreme Council of the Autonomous Republic of Abkhazia sent an open letter to Major General Vasiliy Yakushev, commander of the Russian peacekeeping forces in the Georgian-Abkhaz conflict zone, saying that the Abkhaz Supreme Council was concerned about the tense situation and the tyranny committed in the rayons controlled by the Abkhaz separatists.

The letter goes on to say that instances of complete debauchery have been observed on the territory controlled by the Abkhaz armed formations. The Supreme Council of the Autonomous Republic of Abkhazia appeals to Yakushev to use all his influence to disarm the Abkhaz separatists' illegal armed formations, which will contribute to the speedy return of the refugees to Abkhazia.

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Estonia

Council of Europe to Open Information Office in Tallinn

LD0601211795 Tallinn Radio Tallinn Network in Estonian 1700 GMT 6 Jan 95

[FBIS Translated Text] Foreign Minister Juri Luik today met Erik Harremoes, director of legal affairs of the Council of Europe. The meeting agreed that being a member of the Council of Europe is an important step for Estonia on its path to European integration. Estonia should soon bring its legislation in line with the Council of Europe's Convention on Human Rights and should also ratify the convention.

An information office to provide information on the Council of Europe is to be opened in Tallinn in the near future. The future of the Council of Europe, including involvement of new states, was discussed. Erik Harremoes acknowledged the fast social development of Estonia and is convinced that Estonia's participation in the Council of Europe will be mutually beneficial.

Tarand Stresses Ties with Russia, EU

LD0401170295 Moscow INTERFAX in English 1546 GMT 4 Jan 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Estonian Prime Minister Andres Tarand has said that Estonia's vital interests depend on the normalization of relations with Russia. Tarand said in his New Year address on television that normalization did not imply subordination, contrary to what "some politicians of a black-and- white mentality" were claiming.

Prime Minister Tarand mentioned close cooperation with all countries of the Baltic region on the list of Estonia's immediate and achievable foreign policy objectives. He said Estonia's intention to become integrated in European structures in the first place was explained by security reasons. Prime Minister Tarand believes that "preparedness for partnership with the EU [European Union] at the turn of the century depends on us", because the Essen summit gave Estonia an equal chance of such integration alongside other Central and East European countries.

Prime Minister Tarand called for continuing the policy of reforms. He said the government was going to pay greater attention to regional policies, one of the priorities of the 1996 budget.

As for 1995, Prime Minister Tarand believes that it is to become a turning point in the life of rural areas, because many obstacles to the agrarian reform have been removed already.

Reform Party Head on Russia, Western World

LD0801203695

[FBIS Editorial Report] Tallinn Estonian Television Network in Estonian at 1900 GMT on 8 January broadcast a two-minute report that says that the Estonian Reform Party today approved its election platform and a list of 101 candidates for the parliamentary elections in March.

The party's election platform gives priority to the economic development of Estonia and emphasizes the need for creating favorable economic environment for investors, a television reporter says.

Speaking on Estonian TV, Siim Kallas, the chairman of the party and the president of the Estonian Central Bank, brought up the issue of Estonia's security: "When one begins to seek some special relationship with Russia, then one must bear in mind that this has to be paid for with political concessions. This is elementary and clear. As we look at our election struggle and see our competitors, we often fail to see what is going on in the world and has been going on for centuries. What has been going on for centuries is that Russia can never be a friend to the Western world. This means that there is a constant competition—either in a calm or less calm form—between the Western world and Russia. The competition also involves spheres of influence. It is clear, without any doubt, that Estonia must pursue a policy that will not make it a vassal of Russia."

Border Demarcation Completed Along Lake Peipus

WS0501102795 Tallinn BNS in English 1742 GMT 4 Jan 95

[FBIS Transcribed Text] Kaliningrad, Russia/Tallinn, Jan 4 (BNS)—The hydrography service of Russia's Baltic Fleet completed Dec. 30 work on marking down the Estonian-Russian border in the Narva water reservoir and Lake Peipus. Russian hydrographers put in place six buoys to show where the borderline runs.

After the ice breaks up in spring, the hydrography service plans to mark the borderline with navigational markers, chief of the service Capt. Yuriy Sidorov told BNS.

The borderline in Lake Peipus runs more or less along the line set down in the Tartu Peace Treaty of 1920, with the exception of a stretch in the narrowest part of the lake where an island that under the treaty belonged to Estonia now remains on the Russian side of the border.

Publication Planned of KGB Collaborators List

LD0301181095 Tallinn Estonian Television Network in Estonian 1600 GMT 3 Jan 95

[FBIS Translated Text] Under a government bill sent to the Riigikogu [parliament] today, the names of individuals who collaborated with the security and intelligence bodies of the states which occupied Estonia will be published.

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[Unidentified Correspondent] Interior Minister Kaido Kama told a government news conference today that the names of such individuals will be published by the security police in the appendix to the RIIGI TEATAJA [GOVERNMENT GAZETTE] a year after the law is adopted by the Riigikogu. Within the year, everybody who regrets their link with, say, the KGB, will have an opportunity to confess and their names will not be published. Their confessions will be treated confidentially, under the law on state secrets.

However, in order to prevent a situation in which the first individuals know about this is when they read their names in the RIIGI TEATAJA, the security police is obliged to present all information to the individual concerned a month before going to publication.

[Begin Kama recording] The individual will have the right to examine the documentary evidence on which the claim is based. He will also have an opportunity to contest the matter in an administrative court, through administrative court proceedings. Nothing will be published while the court proceedings continue. [end recording]

[Correspondent] Should the court find evidence inadequate and conclude that there are no grounds for the claim that this person was a collaborator, nothing will be published and the information will be preserved at the state archives as a matter of course.

Foreign Ministry: West's Reaction to Chechnya 'Too Late'

LD0601185495 Moscow INTERFAX in English 1510 GMT 6 Jan 95

[From the "Diplomatic Panorama" feature: by foreign correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Tallinn, Jan 6 (Interfax)—Vice-Chancellor of the Estonian Foreign Ministry Raul Mjalk believes that the West's critical reaction to the developments in Chechnya has been "too late".

"If the West, like Estonia, occupied a principled position from the very beginning, bloodshed in Chechnya could be avoided," he said in Tallinn on Friday [6 January] in an interview with Interfax.

Mjalk said that Estonia like other countries, does not recognize Chechnya's independence. "In other words, developments there could formally be considered the internal affair of Russia. However, the killings of the civilian population are the violation of human rights. This makes it possible to state that developments in Chechnya go far outside the framework of Russia's internal problems," he said.

The senior Estonian diplomat believes that Russia should invite to Chechnya CSCE observers and CSCE High Commissioner for National Minorities Max van der Stoel. "Operating there could be non-government organizations, for example, Amnesty International," he said.

According to Mjalk, "Estonian state bodies do not send volunteers to Chechnya." "The Estonian Foreign Ministry asked the Russian Federation to provide explanations concerning similar accusations. However, we have not yet received the answer and consider such statements as misinformation," he said.

Mjalk, however, did not rule out that "some Estonian individuals are taking part in the conflict". "If so, they are responsible for their actions themselves," he said.

The diplomat believes that "it is still possible to settle the conflict peacefully." "In Russia there are powerful forces which favor such solution of the problem. Hopefully, their point of view will prevail," he said.

Four Parties Form 'Better Estonia' Electoral Pact

LD0401181895 Tallinn Radio Tallinn Network in Estonian 1500 GMT 4 Jan 95

[FBIS Translated Text] Four Estonian parties, the Estonian National Progress Party, the Estonian National Party, the Estonian National Jaager Party, and the Estonian Home Party, have set up the Better Estonia electoral pact. Thanks to the formation of a national association, the political scene in Estonia has been considerably simplified, said Juri Estam, one of the organizers of the electoral pact.

The electoral pact's list of candidates will remain open for the time being, as it is possible that certain nationalist forces will be joining the new pact. Juri Estam declined to specify which forces he has in mind. According to Estam, the new pact is the first considerable political force in Estonia which proceeds precisely from the interests of Estonians.

Democratic Labor Party, Legal Balance Party Form Pact

LD0401181395 Tallinn Radio Tallinn Network in Estonian 1500 GMT 4 Jan 95

[FBIS Translated Text] The leaders of the Estonian Democratic Labour Party [EDTP], and the Party of Legal Balance have signed an agreement on setting up an electoral pact called Justice. The Justice electoral pact will be entering the parliamentary elections under the motto of Truth, Justice, Balance, and Law. Their final electoral list, which will include also several non-party members, will become known next week. Justice's list of candidates will be led by EDTP Chairman Vaino Valjas, and Peeter Tedre, chairman of the Party of Legal Balance.

Latvia

Official: Energy Pact Will Lessen Russian 'Grip'

WS0601140695 Riga LABRIT in Latvian 21 Dec 94 p 1

[Report by Vikija Valdmane: "Latvia Joins the European Charter on Energy"]

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[FBIS Translated Text] At a news conference yesterday, State Minister of Energy Juris Ozolins announced that Latvia's greatest advantage from joining the European Charter of Energy is the possibility to obtain access to the entire global market of energy resources. The European Charter of Energy was signed in Lisbon, on 17 December, by 42 countries and the European Union (as an organization). The Charter will become effective 90 days after it is ratified by the countries which have signed it. According to the agreement, members of the Charter will enable free transit across their territory of energy resources and products, eliminating any discrimination against products of a certain origin, as well as unreasonable delays, limitations, and taxation. The agreement will also secure free and competitive trade in energy resources among the signatory states. At the same time, it will stimulate foreign investments in these countries. Thus, the agreement will prevent political interference in the energy markets and mechanisms of concluding contracts. Ozolins emphasized that the political grip, in which Russia has until now purposely kept Latvia because of her dependence on Russian energy supplies, will be lessened as Russia has also signed the agreement in Lisbon. Due to this development, Russia will be forced to exclude discriminating policy in the field of energy.

"If Latvia observes all principles set forth by the Charter, it will promote development of transit across its territory and thus gain profit for the national economy," said the state minister of energy.

To realize the principles of the Charter, it will be necessary to make amendments to certain Latvian laws, and to adopt a few new ones, although Latvian legislation does not in general contradict requirements of the Charter.

Prime Minister's Letter to Chernomyrdin Detailed

WS0601160295 Riga DIENA in Latvian 27 Dec 94 p 1

[Report by Liga Laizane: "Gailis Writes a Letter To Chernomyrdin on Relations Between Both States"]

[FBIS Translated Text] Riga, 26 Dec—Latvian Prime Minister Maris Gailis prepared a letter last week to Russian Prime Minister Victor Chernomyrdin, in which he sends him New Year's greetings and draws his attention to several unsolved problems in Latvian-Russian relations. In the conclusion of his letter, Gailis has expressed hope that the long expected meeting of the two states' prime ministers will finally take place.

As Gailis told DIENA on Friday [23 December], in his letter he has mentioned, among other things, the fact that Latvia has until now not been returned money from the "frozen" accounts of Latvian enterprises held by "Vneshekonombank." The letter also recalls that several Latvian enterprises have not received payment for fulfilled state orders, for which the Russian Government should accept responsibility.

Latvia already made a decision in the fall to sign agreements part-by-part with Russia which were originally supposed to be signed during Chernomyrdin's visit. As DIENA has already reported, the agreements "On Simplified Procedures for Crossing the Latvian-Russian Border by Residents of Border Areas," "On Mutual Trips by Citizens," and "On the Operation of Border Representatives" were signed on 14 December in Moscow.

Another part will be signed during Minister of Transport Andris Gutmanis' visit to Moscow, and yet another—during the visit of the Russian minister of culture to Riga, said Gailis.

Estonian Navy Commanders Discuss Cooperation

LD0401234195 Riga Radio Riga Network in Latvian 2200 GMT 4 Jan 95

[FBIS Translated Text] To discuss future prospects for cooperation, on Wednesday Gaidis Zeibots, commander of the navy of the Latvian National Armed Forces, met Roland Leit, commander of the Estonian navy, who is in Latvia on a one-day visit. They discussed mutual communications systems in joint exercises and the possibility of improving information exchange, as well as their possible joint participation in naval training exercises in the Baltic Sea organized by NATO, due to be held in June.

New Saeima Faction Planned; Possible Rules Change

WS0501103395 Riga DIENA in Latvian 10 Dec 94 pp 1, 6

[Report by Juris Tihonovs: "New Saeima Faction Being Established"]

[FBIS Translated Excerpt] Riga, 9 Dec—Member of Parliament Odisejs Kostanda is forming a new faction in the Saeima [parliament], the announcement of which will probably be presented to the Presidium next week, DIENA was told by Kostanda's assistant Ilmars Lapa.

It is foreseen that the faction will be created by members of the "National Movement for Latvia" party, newly registered by the Ministry of Justice—Odisejs Kostanda and Joahims Zigerists, as well as Andris Saulitis and Janina Kusnere. The latter has just left the Latvian National Independence Movement [LNNK] and its faction. According to Article 186 of the Saeima regulations, a Saeima faction must comprise at least four members of parliament. Therefore it is expected that Kusnere will also become a member of the National Movement for Latvia in a few days time.

Chairman of the LNNK Aristids Lambergs told DIENA that Kusnere's application, in which she announces her withdrawal from the party, and a similar application addressed to Aleksandrs Kirsteins [LNNK faction leader], about leaving the faction, came as a complete

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surprise. Kusnere did not provide any explanations about the reasons and motives for her departure.

"This is quite unexpected, and we cannot understand the reasons for it. There were no signs that something like this would happen. Until now, we never observed her having any difficulties or misunderstanding in relations with the party and the faction," said Lambergs. He also added that to his knowledge no other party member is going to leave LNNK presently, and denied the possibility of establishing cooperation of any kind with the new faction.

In his conversation with DIENA, Lambergs provided a negative assessment of the recent regrouping of political forces in the Saeima, because the voters had voted for concrete parties and programs. He said that in the near future the LNNK would propose a change in the Saeima regulations, providing that parliament members, who are being excluded from their party, lose their mandates.

"This would strengthen the discipline, significance, and force of the faction," said Lambergs. "Otherwise, different oddball factions are being created". He also stated that before the 6th Saeima elections, candidates from the LNNK would have to sign a declaration that they will only undertake activities within the framework of the LNNK faction. [passage omitted]

Lithuania

Sejm's Offer to Mediate in Chechnya Declined

LD0601160595 Moscow ITAR-TASS in English 1404 GMT 6 Jan 95

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Transcribed Text] Vilnius January 6 TASS—Two Lithuanian parliamentarians—participants in the so-called good will mission of the Sejm of Lithuania on a peaceful settlement of the conflict in Chechnya, were denied diplomatic visas for a trip to the North Caucasian region, a spokesman for the mission's headquarters in Vilnius told ITAR-TASS today.

The reason for the refusal to grant visas was that "Russia does not need such intermediary services from the Sejm".

In December last year foreign minister of the republic, Povilas Gylys, stated that "Lithuania just as the majority of states of the world, adheres to the view that the Chechen issue is Russia's internal affair".

The Sejm of Lithuania spoke for a "peaceful settlement of the conflict in the north Caucasus". Simultaneously, the Lithuanian Sejm offered the conflicting sides its "good will mission in a peaceful settlement of the Chechen problem provided they wish this".

Oil Refinery Starts New Year With Shutdown

WS0901112495 Tallinn BNS in English 1757 GMT 6 Jan 95

[FBIS Transcribed Text] Vilnius Jan 06, BNS—Lithuania's Mazeikiai oil refinery spent the first week of 1995 idle after being shut down shortly before the New Year's. The refinery's work continues to be hindered by unstable oil supplies.

Gediminas Kiesus, Mazeikiai assistant director general, says oil would not be a problem if the refinery had circulating funds to purchase it.

Mazeikiai nevertheless expects to receive around 125,000 tons of oil next week under a contract signed last year with the Russian oil company Lucoil. Although Lucoil pledged to supply 250,000 tons of oil to Lithuania each month, only 150,000 tons reached Mazeikiai last December. Kiesus said officials in Moscow are to decide which of the Russian companies will be given the right to export oil and to which countries.

In an interview with BNS, Kiesus said the Lithuanian Government is actively searching for credit resources to purchase oil for Mazeikiai. In his opinion, the refinery needs at least 50 million U.S. dollars for the purpose.

As reported, the U.S. company ABB Lummus Crest agreed to lend Mazeikiai 20 million. The remaining sum may be provided by Western banks, but Kiesus says no loans can be expected before late January, when Mazeikiai holds its presentation for potential creditors in London. Until that time, the refinery pins its hopes on the government, he said.

Last year, Mazeikiai refined 3.7 million tons, including 1.3 million supplied by Lucoil. The refinery had to be shut down five times during the year either through lack of oil or excess of unsold production.

The Lithuanian refinery's maximum capacity is 13.8 million tons of oil a year. Mazeikiai refined 5.1 million tons in 1993 and 4.9 million tons in 1992.

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